Freedom of information.—The Federal Public Records Law (P.L. 89-487), which I cosponsored, took effect on July 4, 1967. This "Freedom of Information" law reasserts the fundamental right of the American people to know what their Federal government is doing. It provides that government records are to be made available at the request of any citizen, and gives a person wrongfully denied access to information the right to go to court for an immediate ruling.

The new law will not work miracles overnight. It may have little impact on the "Credibility Gap." But the law is a weapon—and a powerful one—which will help to reduce unwarranted secrecy in government. How well it will work will depend on how effectively the people, the press, and the Congress use it as a guarantee of the right to know.

Congressional assistance.—Members of Congress frequently receive appeals from individuals, organizations, and municipalities for assistance of one kind or another. Some types of assistance can be provided—other types cannot.

It is my belief that a Congressman has a duty to assist where possible in making the relationship between a citizen and his Government fair and workable, for there are times, in the impersonality of Government, when the Congressman serves as the only personal link between a constituent and an Executive Branch Department. But occasions and situations arise when it is improper, and, in some instances, illegal, for a Member of Congress to attempt to influence governmental decisions.

Members of Congress are legislators—not executives or administrators. Their basic responsibility is the drafting and passing of legislation. The Executive Branch has the responsibility of administering those laws. There are many areas in which a Congressman can assist—in cutting red tape, in helping to correct administrative errors, or in expediting action when it is unduly delayed.

Because of the misunderstandings which arise from time to time, I appeared before the Joint Committee on the Organization of Congress and recommended that "the policy of encouraging or assisting Members of Congress in the announcement of Federal grants, contracts, or projects in their states or districts be terminated . . . To encourage or assist Members in making initial announcements of Federal grants, projects, and particularly Federal contracts, leaves at least a shadow of question as to whether or not the contract or project was awarded solely, as it should have been, on factors such as cost, performance, and national interest."

Academy appointments.—Congratulations are in order for the young men from the 13th District who earned appointment to the U.S. service academies and who commenced their studies this June: *U.S. Air Force Academy*—Lawrence F. Blameuser, Jr., Skokie; Steven DeHaven, Mt. Prospect; Charles E. Dehlinger, Evanston; John Ekeberg, Palatine; Gerald Lemke, Wheeling; Casey Scott, Wilmette. *U.S. Military Academy*—Richard J. Appleton, Mt. Prospect; Brian Bruckner, Niles; Ford G. Droegemueller, Arlington Heights; Christopher B. Timmers, Wheeling; Mark M. Weiman, Evanston. *U.S. Naval Academy*—Jeffrey Currie, Evanston; Thomas R. Dussman, Jr., Winnetka; Charles L. Keating, Arlington Heights. *U.S. Merchant Marine Academy*—Scott K. Summers, Wilmette. Those interested in applying for academy nominations for classes beginning in June 1968 may write to my office for full details.

Visitors and letters.—Visitors to Washington from the 13th District are always welcome in our office in the House Office Building. If you are planning a trip to the Nation's Capital, write ahead and let us know you are coming. In this way, we may be able to assist in making your visit a more enjoyable one. Also, your letters are always welcome. Our Washington office is open daily from 8:00 A.M. to 6:00 P.M. and generally later. If you communicate with the office and do not receive a response within a week, please write again. We have discovered instances where mail has not reached the office or where it has been delayed. Since we respond to some 600 letter a week, and receive hundreds of pieces of non-letter mail in addition, there is always the possibility that a letter may go astray in the Postal Service or in the Congressional postal facilities. I look forward to hearing from you.

SENATE

TUESDAY, SEPTEMBER 12, 1967

(Legislative day of Monday, September 11, 1967)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the President pro tempore.

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

Our Father God, who art above all and in all, apart from Thee, life has no meaning or destiny. We are made confident in our hearts that Thy mercy endureth forever, without Thee our striving would be losing—our strength is unequal to our tasks.

Our needs are many but our greatest need is of Thee.

In this hallowed moment, we bring to the altar of prayer our inmost selves, cluttered and confused where the good and the evil, the petty and the great, the wheat and the tares are so entwined.

Breathe now in this quiet moment Thy peace on hearts that pray—the peace that comes only when our jarring discords are tuned to the music of Thy will.

Grant us as laborers together with Thee a sense of untapped spiritual resources and restore our souls with the joyous strength of Thy salvation.

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

THE JOURNAL

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, September 11, 1967, be approved.

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

ORDER OF BUSINESS

Mr. CLARK. Mr. President, I ask unanimous consent that, despite the unanimous-consent order issued yesterday with respect to the pending bill, I may proceed for not in excess of 5 minutes on another subject.

Mr. LONG of Louisiana. Mr. President, I am not in a position to clear it with the other side of the aisle. I cannot agree to it at this moment. As soon as I can clear it on the other side of the aisle—I do not object, Mr. President.

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

S. 2388—REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE—INDIVIDUAL AND ADDITIONAL VIEWS (S. REPT. NO. 563)

Mr. CLARK. Mr. President, I submit a report of the Committee on Labor and Public Welfare on an original bill which has been assigned the number S. 2388. This bill amends the Economic Opportunity Act of 1964, authorizes additional funds for poverty programs, and authorizes a new Emergency Employment Act of 1967. I ask unanimous consent that individual and additional views may be filed before midnight tonight, and printed with the report.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

Mr. CLARK. I note for the RECORD that this bill is a substitute for S. 1545, which was the original antipoverty amendments of 1967 to the Economic Opportunity Act.

RESOLUTION TO PRINT ADDITIONAL COPIES OF REPORT TO ACCOMPANY S. 2388

Mr. CLARK. Mr. President, I send to the desk a resolution authorizing the printing of 3,000 additional copies of the report I have just filed of the Senate Committee on Labor and Public Welfare, to accompany S. 2388, a bill to provide an improved Economic Opportunity Act, to authorize funds for the continued operation of economic opportunity programs, to authorize an Emergency Employment Act, and for other purposes.

The demand for this report, which is being filed in the Senate today, is such that the House and Senate document rooms will need and have already ordered the maximum number of copies available. As a result, the Committee on Labor and Public Welfare will receive no more than 50 copies for its use, an amount which is quite inadequate. It is therefore imperative that additional copies be printed tonight by the Government Printing Office.

I have consulted with the acting majority leader, the Senator from West Virginia [Mr. BYRD], the minority leader, the Senator from Illinois [Mr. DIRKSEN], and the chairman and ranking minority member of the Committee on Rules and Administration, the Senator from Nebraska [Mr. CURTIS]. They have agreed that the Senate may consider this resolution immediately. I have also checked with the ranking minority member of the Committee on Labor and Public Welfare, the Senator from Vermont [Mr. PROUTY], at the request of Senator CURTIS.

I therefore ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDENT pro tempore. Is there

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 168) was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Labor and Public Welfare, 3,000 additional copies of its report to the Senate to accompany S. 2388, a bill to provide an improved Economic Opportunity Act, to authorize funds for the continued operation of economic opportunity programs, to authorize an Emergency Employment Act, and for other purposes.

ELECTION REFORM ACT OF 1967

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1880) to revise the Federal election laws, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, in order that interested Senators may be notified that the unfinished business has been laid before the Senate, and that the Senate is ready to proceed with the consideration of that business, I suggest the absence of a quorum.

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

Mr. BYRD of West Virginia. I yield.

Mr. CLARK. I ask unanimous consent that the time for the quorum call may not be charged to either side.

Mr. BYRD of West Virginia. It will not be.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DEMONSTRATIONS IN THE GALLERIES

Mr. BYRD of West Virginia. Mr. President, yesterday five spectators were escorted from the Senate visitors' gallery after they dropped anti-Vietnam literature to the floor of the Senate Chamber. Three of the spectators were male and two were female. They were arrested and charged with disorderly conduct, and their names and addresses were as follows:

Jill Ann Boskey, 19 Colony Drive East, West Orange, N.J.

Eleanor Mayo Dorsey, Prince Street, Beverly, Mass.

Keith Richmond Lampe, 1107 O Street NW., Washington, D.C.

Rodney Edmond Robinson, 117 Grove Road, Washington Grove, Md.

Reginald Edwin Johnson, 1107 O Street NW., Washington, D.C.

Mr. President, as the able minority whip [Mr. KUCHEL] said yesterday, this crude and arrogant attempt to apply pressure to the Senate of the United States is an affront—not only to Congress but also to the American people—that cannot and will not be tolerated.

The threat that "there will be sustained disruptions of the Government apparatus" until the demands of this, or any group or committee, are met must be branded for what it is—a threat to substitute anarchy for law and order.

It is a contemptible effort at coercion, one that strikes at the foundations of the orderly processes that protect the rights of all Americans including the group that made the threat.

Citizens, of course, have the right to petition for the redress of grievances. But this insult to Congress goes far beyond any right, civil or otherwise. It is of the same nauseous stripe as lawless burnings and lootings—which also have been done in the name of a cause.

This is another sickening manifestation of the increasing deterioration in America of respect for law and order. We see it on every hand—the attempt to substitute fear and hate and chaos for democratic processes. Such methods are abhorrent to all right-thinking Americans.

Many people in our country are opposed to the war in Vietnam. They have a constitutionally protected right to disagree with its conduct. They have a right to be heard—and, I may add, they have been heard at great lengths.

But no group has a right to attempt to force others to agree with the viewpoints held by that group. No individual or group of individuals has any right to attempt to intimidate the Members of Congress who must not and will not be so intimidated. Nor has any person or group a right to distort and cheapen and pervert the guarantees and the intent of the first amendment freedoms of speech and press.

There are many proper channels for expressing disapproval or disagreement. Dropping despicable and threatening leaflets from the galleries of the Senate is not one such channel. This is a brazen act which Congress cannot permit to be repeated.

It clearly points up the need for legislation to deal with the possible recurrence of such a disgraceful situation and to appropriately punish any individuals who would seek to interfere in this way with the work of the Congress.

Mr. President, legislation to deal with problems of this nature has recently been introduced by Senator MANSFIELD and Senator DIRKSEN. In the absence of Senator MANSFIELD, I urge that expeditious action be taken by the appropriate committees of jurisdiction and that the legislation be enacted by both Houses at the earliest possible moment. This is no time to temporize or to delay. The public business must go forward without any interference or obstruction by those who would impede the legislative process by methods of a revolutionary nature.

I am advised by the legislative counsel that, at the present time, there are no laws on the books prohibiting demonstrations in the Senate. As of now, violators are being prosecuted under title 22, sections 1107 and 1121, of the District of Columbia Code, "Disturbance of the Peace." The fine is a maximum $250 and/or 90 days in jail.

Title 40, section 193F and following of the United States Code provide penalties for demonstrations on the Capitol Grounds. The fine is $100 and 60 days in jail. If the damage to public property is more than $100, the provisions are up to 5 years in jail.

As I have already indicated there has been introduced in the Senate and referred to the Committee on Public Works S. 2310, which provides more effectively for the regulation of the use of, and for the preservation of safety and order within the U.S. Capitol buildings and the U.S. Capitol Grounds.

Mr. President, I also urge that the doorkeepers to the galleries and other appropriate personnel stationed therein be constantly on the alert to prevent the occurrence of incidents similar to yesterday's demonstration. Moreover, it would be well for all Senators to instruct the staffs in their offices to be more than ever careful in the issuance of gallery passes.

Mr. President, I ask unanimous consent to have printed in the RECORD one of the anti-Vietnam leaflets to which I have referred.

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

SEPTEMBER 11, 1967.

To all U.S. Congressmen:

Your first order of business this session should be a general declaration of peace—followed by immediate withdrawal of U.S. troops from Vietnam, an end to conscription, and an end to the suppression of black Americans.

Until you meet these emergencies there will be sustained disruptions of the government apparatus.

NATIONAL MOBILIZATION COMMITTEE DIRECT ACTION PROJECT

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

Mr. BYRD of West Virginia. I yield.

Mr. KUCHEL. Mr. President, the able Senator is eminently correct in the comments he has made. I am glad to join with him, speaking for the minority, in urging speedy consideration of the legislation introduced by our distinguished majority and minority leaders. I wish to commend my able friend, the acting majority leader, for the comments he has made on this occasion.

Mr. BYRD of West Virginia. I thank my friend, the able Senator from California.

ELECTION REFORM ACT OF 1967

The Senate resumed the consideration of the bill (S. 1880) to revise the Federal election laws, and for other purposes.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CANNON. Mr. President, is any amendment pending at the present time?

The PRESIDENT pro tempore. No amendment is pending at the moment.

Mr. CANNON. I thank the Chair.

AMENDMENT NO. 292

Mr. CLARK. Mr. President, I call up, on behalf of my colleague [Mr. SCOTT] and myself, amendment No. 292.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 10, between lines 23 and 24, insert the following new subsection:

"(j) The term 'Comptroller General' means the Comptroller General of the United States;"

On page 10, line 24, strike out "(j)" and insert in lieu thereof "(k)".

On page 12, line 12, strike out "Secretary or Clerk, as the case may be" and insert in lieu thereof "Comptroller General".

On page 12, lines 20 and 21, strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 12, lines 23 and 24 strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 14, line 4, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 14, lines 6 and 7, strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 14, lines 13 and 14, strike out "Secretary or Clerk, as the case may be" and insert in lieu thereof "Comptroller General".

On page 14, strike out lines 16 through 24 and insert in lieu thereof the following:

"SEC. 204. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the Comptroller General reports of".

On page 15, lines 5 and 6, strike out "Secretary" and insert in lieu thereof "Comptroller General".

On page 17, line 6, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 17, line 8, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 17, line 22, strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 18, line 10, strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 18, line 18, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 18, line 25, strike out "Secretary or Clerk, as the case may be," and insert in lieu thereof "Comptroller General".

On page 20, line 1, strike out "Secretary" and insert in lieu thereof "Comptroller General".

On page 20, line 5, strike out "DUTIES OF THE SECRETARY AND CLERK" and insert in lieu thereof "DUTIES OF THE COMPTROLLER GENERAL".

On page 20, lines 6 and 7, strike out "Secretary and Clerk, respectively." and insert in lieu thereof "Comptroller General—".

On page 22, strike out lines 14 through 17 and insert the following:

"(b) The Comptroller General shall establish within the General Accounting Office an automatic information retrieval system through the use of automatic data processing equipment to provide permanently for prompt access to all information contained in all statements filed pursuant to this title or information of any kind contained in any or all of such statements.

"(c) The Comptroller General is authorized and directed upon receipt of a complaint alleging a violation of this Act, or in the absence of such a complaint, upon his own initiative, to conduct such investigations as he shall deem necessary to ascertain (1) whether statements filed under this title are complete and correct, and (2) whether all such statements in fact have been filed. Whenever the report of any such investigation discloses information which in the opinion of the Comptroller General may evidence any violation of any provision of this title for which any criminal penalty is prescribed, he shall promptly transmit such report to the Attorney General, who shall institute such criminal action as he may determine to be warranted.

"(d) The Comptroller General shall coordinate his duties under this title with his duties under the Presidential Election Campaign Fund Act of 1966."

On page 22, line 21, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 23, line 1, strike out "Secretary or Clerk" and insert in lieu thereof "Comptroller General".

On page 23, immediately after line 25, insert the following new section:

"FURNISHING REPORTS TO THE SECRETARY AND THE CLERK

"SEC. 210. The Comptroller General shall make arrangements to furnish to the Secretary and the Clerk copies of reports filed with him under the provisions of this title."

On page 24, line 2, strike out "SEC. 210" and insert in lieu thereof "SEC. 211".

On page 24, line 7, strike out "SEC. 211" and insert in lieu thereof "SEC. 212".

On page 24, line 11, strike out "SEC. 212" and insert in lieu thereof "SEC. 213".

On page 24, line 15, strike out "Secretary and Clerk" and insert in lieu thereof "Comptroller General".

On page 24, line 21, strike out "SEC. 213" and insert in lieu thereof "SEC. 214".

On page 25, line 2, strike out "SEC. 214" and insert in lieu thereof "SEC. 215".

On page 25, line 6, strike out "SEC. 215" and insert in lieu thereof "SEC. 216".

Mr. CLARK. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. Mr. President, this amendment, proposed by my colleague from Pennsylvania [Mr. SCOTT] and me, would substitute the Comptroller General of the United States for the Secretary of the Senate and the Clerk of the House as the individual and agency which would have enforcement powers under S. 1880 as reported by the committee.

Both Senator SCOTT and I are members of the committee, and we regret the action taken by the committee in rejecting our amendment to designate the Comptroller General of the United States as the custodian of the financial statements required of candidates and political committees under this legislation.

I believe that every group of informed citizens which has reported on the desirability of election campaign reform would agree that probably the worst possible officers in which to vest administrative authority for enforcement are the Secretary of the Senate and the Clerk of the House. This is not because these two gentlemen are not estimable and honorable citizens—as of course, they are. I yield to no one in my admiration and affection for both of them. But there are two serious disabilities which affect both the Secretary and his opposite number in the House of Representatives when it comes to the question of enforcement.

The first disability is that they are partisan officers charged with a bipartisan function. Both individuals are elected by the majority party in the House of Representatives or in the Senate, and it is notorious that, splendid and estimable gentlemen though they are, they attain their offices on the basis of political preference. They are patronage appointments. Yet under the bill they are charged with a very high level of impartiality in terms of their duty toward enforcing the provisions of S. 1880 with respect to the filing of financial reports and their access to the press and the general public. I should think it would be a very bad precedent, indeed, to vest in these two partisan officers the enforcing authority for the salutary provisions of the bill.

The second reason why to vest enforcement authority in these individuals is, in my judgment, unsound is that neither of them has the staff or the expertise necessary to carry out their duties. These duties under the bill are not merely pro forma. They are substantial. In a very real sense, the integrity of campaign election spending will depend on the ability, capacity, and fidelity with which these two individuals enforce their duties.

The point of view which I have just expressed is pertinently set forth in an editorial entitled "Campaign Spending Reforms," published in this morning's Washington Post. I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CLARK. Mr. President, the editorial commends the bill, S. 1880, now before the Senate, but points out that the measure would have been substantially improved if the Committee on Rules and Administration had accepted my two amendments requiring Members of Congress to disclose their income and shifting the responsibility of serving as custodians of the reports from the Clerk of the House and the Secretary of the Senate to the Comptroller General.

I point out that my colleague [Mr. SCOTT] is a cosponsor of the second amendment.

It seems clear to me that for the two reasons I have already stated, the present amendment should be adopted. This amendment would assure that the enforcement procedure will be handled by an agency of Congress, which is what the Comptroller General is. He is not an executive officer; he is an agent of Congress. His job is to audit Government accounts. He therefore has a special competence to deal in this important accounting area which has to do with the filing of campaign expenditures.

It will be said that the Comptroller General does not want this responsibility. I have no doubt that that is correct. Who would? This is a task which is, at best, a distasteful one. At its worst, it can lead to a great deal of controversy.

But how much better equipped is the Comptroller General to assume this responsibility than is the Secretary of the Senate or the Clerk of the House. This disagreeable chore must be undertaken by someone. It occurs to me that it is

irrelevant and rather immaterial to the issue that the Comptroller General would be happier if this chore were not imposed upon him. Thus, I suggest that the Senate should not be affected one way or the other by the fact that the Comptroller General does not want this task. I do not have the slightest doubt that the Secretary of the Senate does not want it either. I am confident that the Clerk of the House does not want it. I ask again, Who would? Yet this is a chore which must be undertaken by someone in the public interest.

In our joint supplemental views which accompanied the report to the Committee on Rules and Administration dealing with the Election Reform Act of 1967, my colleague [Mr. SCOTT] and I said—I paraphrase here; I do not quote—that the existing arrangements which are perpetuated in the present bill are far from satisfactory. That is because the Secretary of the Senate and the Clerk of the House are vested with a task which they are far less well equipped to perform than is the Comptroller General.

The amendment which we are offering would give additional duties to the Comptroller General. It would empower him to check, analyze, publicize, and make available to the public the reports which are required to be filed.

It would authorize him to establish within his office an automatic information retrieval system to assure the ready availability of all filed information to the public.

Can one see the Clerk of the House or the Secretary of the Senate—beloved servants of ours though they are—installing an automatic information retrieval system in the rather inadequate offices which they presently occupy? As all Senators know, there is no space available anywhere else for any Senator, any committee, or any staff member. We have just run out of space in both of our office buildings and, I suspect, so has the House.

The Comptroller General would be empowered to investigate, either on complaint or on his own initiative, alleged violations of the act, to audit reports, and to issue subpenas and file for injunctions in court.

He would be directed to report to the Department of Justice when any candidate or committee filed misstatements or failed to file any statement required by statute.

The General Accounting Office has a large corps of skilled investigators who have functioned with great effectiveness on behalf of the Congress in uncovering illegal and improper activities in the executive branch. Our amendment would employ the resources of this fine agency in a task of the utmost importance to the Congress—the policing of our clean election laws.

We believe that the provisions of S. 1880 which require copies of statements to be filed with the clerk of the U.S. district court for the district in which the candidate resides or in which the principal political committee offices are located are highly desirable, and our amendment would preserve that innovation. In addition, our amendment directs the Comptroller General to furnish information copies of each financial statement to the Secretary of the Senate and the Clerk of the House.

So these individuals would be as fully informed as they would be were they vested with the principal enforcement authority.

Mr. President, I reserve the remainder of my time.

I make a parliamentary inquiry as to how much time I have left.

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. CLARK. I yield the floor.

EXHIBIT 1

CAMPAIGN SPENDING REFORMS

The Senate has the best opportunity in years to tighten up the reporting of campaign expenditures. Debate on the Cannon bill sponsored by the Administration began yesterday under very favorable circumstances. Enactment of this bill before the current session ends ought to be regarded as a "must."

Under the present loose terms of the Corrupt Practices Act, the country has very little reliable information about what its political campaigns cost. The law prescribes limits as to what candidates for President, Senator and Representative may spend, but they are meaningless. The law can be, and regularly is, evaded by the mere proliferation of committees supporting the candidates. Some of these committees must report their findings, but there is no check as to the accuracy of the reports and no meaningful summary or analysis of the raw figures.

The bill before the Senate would apply to primary campaigns and conventions as well as general elections for Federal offices. It would require strict reporting from all political committees which spend more than $1000 on Federal campaigns. The committees would have to report the full names and addresses of contributors so as to prevent the camouflaging that some have indulged in in the past. Reports filed would be cross-indexed and coded, and an annual report would be required showing the total amounts spent by the various committees and the names of all contributors of more than $100. The terms "contribution" and "expenditure" have been broadened to include all gifts, purchases, loans and similar things of value.

The measure would have been substantially improved, in our view, if the Senate Rules and Administration Committee had accepted Senator Clark's amendments requiring members of Congress to disclose their incomes and shifting the report-analysis chore from the Clerk of the House and the Secretary of the Senate to the Comptroller General. Senator Clark intends to offer these amendments on the floor. Much as we should like to see them enacted, it would be unfortunate, however, if either proposal should result in delay or defeat of the reporting bill.

There will be no tears for the abolition of campaign spending ceilings. These limits solemnly imposed by law have never been effective. In their present form they serve only to suggest that the law is not to be taken seriously. Far more effective, we think, will be full and accurate reporting of gifts and expenditures so that public opinion may do the policing when the use of money in campaigns becomes excessive.

The Senate will be under a handicap in this debate because it does not also have before it the plan of the Finance Committee to aid the financing of political campaigns. But the Cannon bill ought to be passed in any event. If the Senate goes on record for these reforms, it will leave a much better atmosphere in which to discuss the forthcoming Finance Committee proposals. Later the two can be joined together, if that seems desirable, but a meritorious reform should not be made contingent on Federal campaign subsidies or Federal aid in the collection of private campaign contributions.

Mr. CANNON. Mr. President, this amendment would change S. 1880 so as to require all reports of political receipts and expenditures to be filed with the Comptroller General of the United States instead of with the Clerk of the House, the Secretary of the Senate, and the clerks of the U.S. district courts.

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

Mr. CANNON. I yield.

Mr. CLARK. The amendment retains the provision for filing with the clerks of the district courts.

Mr. CANNON. The Senator is correct. The amendment would provide for filing with the Comptroller General instead of with the Clerk of the House and the Secretary of the Senate.

Mr. CLARK. If the Senator will yield further, it requires the Comptroller General to send copies of the reports filed to both the Secretary of the Senate and the Clerk of the House.

Mr. CANNON. Yes.

The General Accounting Office performs an outstanding function for the United States in assuring compliance with Federal statutes governing the expenditure of public moneys appropriated by the Congress.

I have every confidence in the ability of that agency to perform an equally outstanding service in assuming compliance with the provisions of S. 1880, the bill presently under debate.

However, the Constitution of the United States gives to the Congress certain powers and duties concerning the operations of the respective Houses.

Each House has the sole power to judge the elections, returns, and qualifications of its Members and may determine the rules of its proceedings and punish its Members.

Clearly the responsibility and the authority to carry out the provisions of this Election Reform Act belong to the Senate and the House, and the Secretary and the Clerk, given the equipment and staff, are capable of performing their duties under the bill with skill and efficiency.

When Senator CLARK's bill, S. 1546, to revise Federal election laws, was introduced on April 14, 1967, I wrote the Comptroller General asking for his views on the bill as it applied to his office.

I ask unanimous consent to have his letter of June 14, 1967, printed in the RECORD at this point.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

Hon. HOWARD W. CANNON,
Chairman, Subcommittee on Privileges and Elections, Committee on Rules and Administration, U.S. Senate.

DEAR MR. CHAIRMAN: By letter of May 4, 1967, you requested an expression of our views with respect to S. 1546, a bill to revise the Federal election laws.

We agree that there is a need for comprehensive revision of the Federal election laws, and we do not have any objection to their revision along the lines proposed in S. 1546. However, we do question the wisdom of placing in the General Accounting Office ad-

ministrative responsibilities relating to disclosure of Federal campaign funds under title II and of gifts and income under title III of the bill, particularly in light of the investigative duties imposed by subsection 206(c).

The paramount reason for placing overall administration of the provisions of titles II and III in the General Accounting Office, doubtless, is related to the fact that we have maintained throughout our history a singular detachment from partisan politics; virtually no other existing agency of the Federal Government apart from the judiciary is as free from political influences. Since the provisions concerning disclosure of Federal campaign funds and of gifts to congressional members and the income received by them are centered in the very heart of our political processes, it is understandable that the General Accounting Office, in light of its politically objective posture, be thought of as the most appropriate agency for administering these provisions.

Yet, we are quite concerned that the responsibilities contemplated in the bill for the General Accounting Office will, if ultimately assigned to us, undermine the very image of our freedom from political influences which we have so successfully maintained throughout the years and which led to the consideration of our administering the mentioned provisions in the first instance.

We do not doubt our capability for executing the responsibilities contemplated for us, in an impartial manner. But regardless of our impartiality, we believe that there will arise in the course of administering provisions of law which deal with the personal finances of members of Congress and with the finances of their political party affiliations the necessity for taking actions which could generate partisan recriminations and jeopardize our stature in the minds of individual members of the Congress. Even without investigative duties, we would have to issue regulations, prescribe criteria to be followed, make judgments concerning the practicality of insisting upon certain requirement and, generally, be involved in matters fundamentally foreign to the concept under which the General Accounting Office was established.

Basically, the General Accounting Office operates as a control agency in the legislative branch to assure compliance with Federal statutes governing the expenditure of public moneys appropriated by the Congress for the various governmental purposes and to assist in improving the efficiency with which Government financed programs are administered. In executing these functions we operate as an agent or arm of the Congress. The administrative functions and duties contemplated in the proposed bill not only are unrelated to the expenditure of appropriated funds, but, they involve the necessity for governing the reporting of and delving into the political and personal affairs of congressmen who as a body constitute our principal. We do not believe that oversight of the political and personal financial transactions of individual congressman is consistent with the posture we must maintain in executing our basic mission.

Nor, for obvious reasons, do we believe it appropriate that administration of provisions of law relating to the promotion of high standards of ethical conduct for congressmen be vested in any agency of the executive branch.

Accordingly, while we agree that there is a need for legislation along the general lines proposed in S. 1546 we strongly recommend that administration of its provisions be vested in a separate agency of the Government to be established for the express purpose of dealing solely with the problem the proposed legislation is designed to meet. We would, therefore, favor the establishment of a "Federal Elections Commission" as provided by the so-called Ashmore-Goodell bill, H.R. 18162, 89th Cong., 2d sess.

As you know, the General Accounting Office has been assigned the responsibility of administering the Presidential Election Campaign Act of 1966, now under suspension. While our responsibilities under that act cover the kind of involvement with political activities to which we take exception herein, we have not raised the issue, primarily, because the election campaign act contemplates our audit and control over appropriated funds to be provided for financing presidential campaign activities.

The General Accounting Office serves a function in our governmental structure which demands the highest confidence on the part of those whom we serve, in both the executive and legislative branches. It is our view that the General Accounting Office—in spite of reasons for considering it as an appropriate agency for the function—should not become involved in administering provisions of law concerning ethics in the legislative branch. We believe it wiser in the long run, regardless of immediate considerations, to studiously avoid any function for our Office which would encompass partisan political controversies and, in turn, tend to undermine the posture of our being totally divorced from partisan influences, a posture which we have so far successfully strived to maintain.

If, despite our view, the proposed bill is to receive favorable consideration, we would recommend elimination, for the reasons stated above, of the investigative function contemplated by section 206(c).

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. CANNON. Mr. President, I should like to read and emphasize two paragraphs from that letter. I am quoting now from the Comptroller General's letter:

Basically, the General Accounting Office operates as a control agency in the legislative branch to assure compliance with Federal statutes governing the expenditure of public moneys appropriated by the Congress for the various governmental purposes and to assist in improving the efficiency with which Government financed programs are administered. In executing these functions we operate as an agent or arm of the Congress. The administrative functions and duties contemplated in the proposed bill not only are unrelated to the expenditure of appropriated funds, but, they involve the necessity for governing the reporting of and delving into the political and personal affairs of congressmen who as a body constitute our principal. We do not believe that oversight of the political and personal financial transactions of individual congressmen is consistent with the posture we must maintain in executing our basic mission.

Nor, for obvious reasons, do we believe it appropriate that administration of provisions of law relating to the promotion of high standards of ethical conduct for congressmen be vested in any agency of the executive branch.

It is quite obvious from that letter that the Comptroller General is not interested in having this authority vested in his office. It is equally evident that an agency of our Congress such as the Comptroller General is no more an arm of the Congress than the Secretary of the Senate and the Clerk of the House. These officers are not only agents; they are actually employees of the Congress.

It is clear, as previously stated—and this is not subject to argument—that each body is the judge, under the Constitution, of its own Members and of the governing of the conduct of Members of that body.

I submit it would be a mistake to vest this authority in the Comptroller General. It should remain with the Clerk of the House and the Secretary of the Senate, as proposed in the bill.

Mr. SCOTT. Mr. President, I yield myself 5 minutes.

I support the amendment of the senior Senator from Pennsylvania [Mr. CLARK]. He and I are the cosponsors of the amendment.

In the supplemental views I submitted as a part of the committee report, I was most careful to make the point that my support of the amendment requiring the vesting in the Comptroller General of authority to receive and report these campaign contributions and expenditures was not in any sense—not in the least sense—a criticism of any Secretary of the Senate or any Clerk of the House, but was designed to relieve them of a burden which I am in my own mind certain they would rather not have—a burden which requires them as employees of this body to maintain reports on political activities of Senators and of their potential opponents. All of us admit that Senators should not have potential opponents, but the facts of life are to the contrary. That being the case, I am not surprised that the Comptroller General would be no more anxious to assume this burden than the officials of the Senate and the House; because who, indeed, does want to accept the responsibility of furnishing information, which will be of interest to the press and other media, of this nature?

Yet, if we are to have entirely dispassionate and well-removed agencies for the purpose of assuring ourselves and the public that everything is kosher and nothing is out of order in our election process, I for one would much prefer to say to the Comptroller General, "Whether you are particularly enamored of this burden or not, this is one that we would prefer for you to have, because we know that a report by the Comptroller General will be received as wholly objective and representative simply of the facts."

The General Accounting Office would be insulated from political or other pressures of the executive branch or of Congress.

A disturbing feature of title II in its present form is the weakness of its enforcement provisions. While the Secretary and the Clerk are empowered to audit financial statements, conduct field investigations, and refer apparent violations of the law to the Attorney General, would they press for investigation or prosecution if the administration and Congress were controlled by the same party to which the suspected or alleged violator or violators belonged?

In other words, it is the old Roman maxim, "Quis custodiet ipsos custodes?"

"Who will watch the watchman?" Or "Who will look after the lighthouse?"

And, incidentally, there is a Japanese maxim that it is darkest at the foot of the lighthouse.

This dilemma is less likely to arise, it seems to me, if the enforcing agency

were a bipartisan Federal Elections Commission or, as provided in our amendment, the General Accounting Office.

Congress, in my judgment, sorely needs to win back public confidence, and can ill afford to gloss over this enforcement issue, which is the reason why the senior Senator and the junior Senator from Pennsylvania are offering the amendment.

There is an article in today's New York Times—itself sometimes thought of as a great lighthouse, although that depends, I suppose, upon the reader—and in that article, by Tom Wicker, he refers to the bill as a "paper tiger," because of its enforcement provisions, and he is rather critical of it—so critical that I would prefer not to have the article printed in the RECORD, because I do not wish to incur the wrath of my fellow Senators.

But I do recommend the reading of this article, inasmuch as it already shows a public and press reaction of the kind of which we can expect more, if we do not apply to ourselves the maxim of Caesar's wife. If we are to be above any possible suspicion, let us separate reporting and accounting from Congress as clearly and as distinctly as we possibly can.

All Senators evidencing the immense interest that this bill has aroused, I do hope that listening Senators, alert to the nuances of the situation, will support the amendment of Senator Clark and myself, as I now yield back the remainder of my time.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 5 minutes remaining.

Mr. CLARK. Mr. President, I ask unanimous consent, in view of the parliamentary situation in which we find ourselves, that the pending amendment be temporarily laid aside.

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

Mr. CLARK. And I call up my amendment No. 291.

The PRESIDING OFFICER. The amendment will be stated.

Mr. CLARK. Mr. President, I ask unanimous consent, since this is a long amendment, that it not be read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

The amendment of the Senator from Pennsylvania [Mr. CLARK] is as follows:

AMENDMENT No. 291

On page 25, between lines 7 and 8, insert:

"TITLE III—DISCLOSURE OF GIFTS AND CERTAIN COMPENSATION

"DEFINITIONS

"SEC. 301. When used in this title—

"(1) The term 'asset' includes any beneficial interest held or possessed directly or indirectly in any business or financial entity or enterprise, or in any security or evidence of indebtedness, but does not include any interest in any organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

"(2) The term 'liability' includes any liability of any trust in which a beneficial interest is held or possessed directly or indirectly.

"(3) The term 'income' means gross income as defined by section 61 of the Internal Revenue Code of 1954.

"(4) The term 'security' means any security as defined by section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

"(5) The term 'commodity' means any commodity as defined by section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

"(6) The term 'dealing' in securities, or commodities means any acquisition, transfer, disposition, or other transaction involving any security or commodity.

"(7) The term 'election' means (A) a general, special, or primary election; or (B) a convention or caucus of a political party held to nominate a candidate.

"(8) The term 'candidate' means an individual who seeks nomination for election, or election, as a Senator or Representative in, or Resident Commissioner to, the Congress of the United States, whether or not such individual is nominated or elected.

"(9) The term 'Member' means a Senator or Representative in, or Resident Commissioner to, the Congress of the United States.

"(10) The term 'Comptroller General' means the Comptroller General of the United States.

"DISCLOSURE BY CANDIDATES

"SEC. 302. (a) Each candidate shall file with the Comptroller General a written report containing the following information:

"(1) The fair market value of each asset having a fair market value of $5,000 or more held by him or by his spouse or by him and his spouse jointly, exclusive of any dwelling occupied as a residence by him or by members of his immediate family, at the end of that calendar year;

"(2) The amount of each liability in excess of $5,000 owed by him or by his spouse, or by him and his spouse jointly, at the end of that calendar year;

"(3) The total amount of all capital gains realized, and the source and amount of each capital gain realized in any amount exceeding $5,000, during that calendar year by him or by his spouse, by him and his spouse jointly, or by any person acting on behalf or pursuant to the direction of him or his spouse, or him and his spouse jointly, as a result of any transaction or series of related transactions in securities or commodities, or any purchase or sale of real property or any interest therein other than a dwelling occupied as a residence by him or by members of his immediate family;

"(4) The source and amount of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any relative or his spouse) received by or accruing to him, his spouse, or from him and his spouse jointly, from any source other than the United States during that calendar year, which exceeds $100 in amount or value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, or other facilities received by him in kind;

"(5) The name and address of any professional firm which engages in practice before any department, agency, or instrumentality of the United States in which he has a financial interest; and the name, address, and a brief description of the principal business of any client of such firm for whom any services involving representation before any department, agency, or instrumentality of the United States which were performed during that calendar year, together with a brief description of the services performed, and the total fees received or receivable by the firm as compensation for such services; and

"(6) The name, address, and nature of the principal business or activity of each business or financial entity or enterprise with which he was associated at any time during that calendar year as an officer, director, or partner, or in any other managerial capacity.

"(b) Each candidate shall file such report for the calendar year preceding the first election in each calendar year for which he is a candidate. Such report shall be filed with the Comptroller General not later than ten days prior to such election.

"DISCLOSURE BY MEMBERS OF CONGRESS

"SEC. 303. (a) Except during the calendar year in which a Member is a candidate, each Member shall file for each calendar year a written report containing the information required by paragraphs (1) through (6) of section 302(a) of this Act.

"(b) Such report shall be filed for any such calendar year with the Comptroller General not later than April 15 of the next following calendar year. No such report shall be required to be made under this section for any calendar year beginning before January 1, 1968. The requirements of this rule shall apply only with respect to individuals who are Members of the Senate or the House of Representatives of the Congress on or after the date of enactment of this title. Any individual who ceases to serve as a Member of the Senate or the House of Representatives before the close of any calendar year shall file such report on the last day of such service, or on such date not more than three months thereafter as the Comptroller General may prescribe, and the report so made shall be made for that portion of that calendar year during which such individual so served. Whenever there is on file with the Comptroller General a report made by any individual for any calendar year in compliance with the preceding subsection, the Comptroller General may accept from that individual for any succeeding calendar year, in lieu of the report required by the preceding subsection, a certificate containing an accurate recitation of the changes in such report which are required for compliance with the provisions of the preceding subsection for that succeeding calendar year, or a statement to the effect that no change in such report is required for compliance with the provisions of the preceding subsection for that succeeding calendar year.

"IDENTIFICATION REQUIRED

"SEC. 304. Each asset consisting of an interest in a business or financial entity or enterprise which is subject to disclosure under sections 302 and 303 of this Act shall be identified in each report made pursuant to those sections by a statement of the name of such entity or enterprise, the location of its principal office, and the nature of the business or activity in which it is principally engaged or with which it is principally concerned, except that an asset whch is a security traded on any securities exchange subject to supervision by the Securities and Exchange Commission of the United States may be identified by a full and complete description of the security and the name of the issuer thereof. Each liability which is subject to disclosure under sections 302 and 303 of this Act shall be identified in each report made pursuant to those sections by a statement of the name and the address of the creditor to whom the obligation of such liability is owed.

"REPORTS AND CERTIFICATES

"SEC. 305. Reports and certificates filed under this title shall be made upon forms which shall be prepared and provided by

the Comptroller General, and shall be made in such manner and detail as he shall prescribe. The Comptroller General may provide for the grouping, within such reports and certificates, of items which are required by sections 302 and 303 of this Act to be disclosed whenever he determines that separate itemization thereof is not feasible or is not required for accurate disclosure with respect to such items. Reports and certificates filed under this title shall be retained by the Comptroller General as public records for not less than six years after the close of the calendar year for which they are made, and while so retained shall be available for inspection by members of the public under such reasonable regulations as the Comptroller General shall prescribe."

On page 25, line 8, strike out "TITLE III" and insert in lieu thereof "TITLE IV".

On page 25, line 11, strike out "SEC. 301" and insert in lieu thereof "SEC. 401".

On page 25, line 14, strike out "SEC. 302" and insert in lieu thereof "SEC. 402".

Mr. CLARK. Mr. President, I yield myself such time as I may require.

This amendment deals with the disclosure of gifts and certain compensation. It is similar, but not identical, to disclosure provisions with respect to assets and liabilities of Members of the Senate which I have been urging on this body for the past 10 years.

It defines, as one would normally expect, certain terms, such as assets, liabilities, income, security, commodity, dealing in securities or commodities, election, candidate, Members of the House and Senate, and Comptroller General.

Then it requires, under the heading "Disclosure by Candidates," the filing of a written report, which would reveal the fair market value of each asset having a market value of $5,000 or more held by the candidate or his spouse; the amount of each liability in excess of $5,000 owed by the candidate or his spouse; the total amount of capital gains realized in excess of $5,000 during that calendar year by the candidate or his spouse; the source and amount of each item of income in excess of $100, and all gifts in excess of that amount, accepted by the candidate or his spouse; the name and address of any professional firm which engages in practice before any department, agency, or instrumentality of the United States, in which he has a financial interest; and the name, address, and a brief description of the principal business of any client of such firm for whom services were performed involving representation before any department, agency, or instrumentality of the United States, together with a brief description of the services performed and the amount of fees received by the firm as compensation.

Finally, it requires disclosure of the name of each business or financial entity with which he was associated as an officer, director, or partner, or in any other managerial capacity, during the calendar year of the election.

The candidate must file a report for the calendar year preceding the first election in which he is a candidate. This report must be filed with the Comptroller General not later than 10 days prior to the election.

The rest of the amendment deals with the minutiae of these reports and disclosures, including the identification required with the reports and certificates which are to be prepared on forms provided by the Comptroller General.

Mr. President, my proposal represents an expanded and more comprehensive version of the disclosure requirements applicable to Members of Congress which were contained in President Johnson's Election Reform Act of 1966, which I was privileged to introduce in the Senate last year.

Unfortunately, the President's bill this year omitted these salutary requirements. I offered an amendment to restore them to the bill in committee. To my regret, the amendment was rejected by the committee by a vote of 7 to 2.

Two principal arguments were made against it. First, it was asserted that the Committee on Rules and Administration ought not to adopt a disclosure rule because that matter is presently under study by the Select Committee on Standards and Conduct.

The creation of the select committee did not divest the Committee on Rules and Administration of either its jurisdiction or its responsibilities in this field.

What would be done by the Select Committee on Standards and Conduct, one would assume, would be to establish a code of ethics for the Members of the Senate. What we are concerned with here is legislation dealing with fair elections and with the desirability in connection with fair elections of providing for adequate disclosure by Members running for reelection and by other candidates.

The creation of this Select Committee on Standards and Conduct did not divest the Committee on Rules and Administration, as I have said, of either its jurisdiction or its responsibilities in this field. The fact is that to date the select committee has been almost continuously preoccupied since its creation—and is today preoccupied—with matters pertaining to individual Senators. It is true that the committee has committed itself to the Senate to report on a code of ethics before the end of the session. But I point out that it is now September 12 and, for reasons which I could well understand, no such code of ethics has yet been forthcoming from the committee.

We now have, in my judgment, an excellent opportunity to provide by legislation just what, in my judgment, the Select Committee on Standards and Conduct ought to report and recommend to the Senate. Hence, it seems to me that the appropriate and the efficient thing for the Committee on Rules and Administration to do would have been to exercise its undisputed authority and report a disclosure rule to the Senate.

I regret that it did not see fit to do so.

It was pointed out during the discussions within the committee that the original amendment which I offered did not seem properly germane to an election reform bill, since it applied only to incumbents and not to candidates for office who are not Members of Congress.

I believe this argument is a good one. I accept it, and I have amended my amendment accordingly so that it now provides that the disclosure provision should be applicable to all candidates in both primary and general elections whether or not they are Members of Congress running for reelection. Accordingly, I would hope that the Senate will look with favor on both of these amendments which, in my judgment, would substantially strengthen the pending bill for which, needless to say, I intend to vote.

Mr. President, I reserve the remainder of my time and wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 20 minutes remaining.

Mr. CLARK. Mr. President, I yield the floor.

Mr. CANNON. Mr. President, the amendment proposed by the distinguished senior Senator from Pennsylvania would revise the bill so as to include the disclosure by Members of Congress and candidates of all assets, liabilities, income, securities, gifts, and other compensations.

I have no quarrel with the Senator's good intentions. A code of ethics and complete disclosure of income, assets, liabilities, securities, gifts, and other compensations may soon be adopted in both Houses of Congress. At least, I hope so.

I favor the amendment in principle, but believe it does not go far enough. Such a code should be broad enough to encompass all three branches of Government—executive, judicial, and legislative.

During the first session of the 89th Congress, I proposed an amendment to Senate Resolution 123 that was pending before the Senate that year. That amendment would have required all officers and employees of the executive, legislative, and judicial branches of the Government who were compensated in the amount of $10,000 or more per year to make a disclosure as proposed in the Clark amendment now pending, and reveal all assets, I might add. However, the Senate felt very strongly about these subjects and, in order to do a thorough and fair study to determine the nature and scope of such codes or regulations, established a Select Committee on Standards and Conduct. That committee, consisting of three Democrats and three Republicans—all highly esteemed by the Senate—has worked diligently and carefully to preserve and strengthen the integrity of the Senate.

To consider at this time a proposal pertaining to disclosure of income, assets, gifts, and other compensation—a proposal now being studied by the Select Committee on Standards and Conduct—would be to deprive that committee of its proper jurisdiction and thwart the basic purpose for which it was created.

Further, a code of ethics or a law requiring disclosure of income, assets, and other compensation would not be germane to a Federal Election Reform Act and ought not to be made a part of or attached thereto.

For these reasons, Mr. President, I am

opposed to the pending amendment and hope that it will be defeated.

Mr. BYRD of West Virginia. Mr. President, how much time remains on the pending amendment?

The PRESIDING OFFICER. The Senator from Pennsylvania has 20 minutes remaining. The Senator from Nevada has 27 minutes remaining.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so 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 (Mr. KENNEDY of New York in the chair). Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the vote occur on amendment No. 292 no later than 12:15 this afternoon, and that the vote on that amendment be immediately followed by the vote on amendment No. 291.

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

Mr. CANNON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. On page 5, line 12, following the words *"Provided, however,"* strike out everything through line 15 and insert in lieu thereof the following:

That nothing contained in this subsection shall prohibit the transfer of contributions received by a political committee.

Mr. CANNON. Mr. President, on page 5 of S. 1880, lines 13 through 15 state "That the term 'person' as used in this subsection shall not include a political committee." Under the definitions, an individual might claim to be a political committee and thus evade the $5,000 limitation on contributions set by section 608. To prevent that, I am proposing an amendment to strike lines 13 through 15 on page 5 and insert after the proviso on line 12 the following:

That nothing contained in this subsection shall prohibit the transfer of contributions received by a political committee.

In this manner, only a bona fide committee which receives contributions, gifts, or other things of value could transfer such to candidates or political committees.

The term "transfer" is generic. It is broad enough to include contributions, expenditures, gifts, loans, and all other transactions.

I urge that the amendment be adopted.

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

Mr. CANNON. I yield.

Mr. CLARK. Referring again to lines 12 through 15 on page 5 and the substitute which the Senator has proposed, do I correctly understand that nothing in this bill would prevent an individual from making a contribution to another individual who in turn would forward that contribution to a political committee which would be required to report the name or names of the real donor or donors as part of its report?

Mr. CANNON. Every person who receives any contribution of more than $100 is required to report.

Mr. CLARK. What I have in mind is a situation which occurs frequently in my State, where an individual very much interested in the election of a particular candidate goes out and solicits funds to assist the latter in his campaign. Frequently—this may not be wise—those contributions are made in cash; sometimes they are made by check to the order of the soliciting individual.

As I understand, under this bill, the soliciting individual would be required to file with the relative political committee the amount of the contributions solicited and obtained by him from whatever source derived, revealing that source.

Mr. CANNON. The Senator is correct.

Mr. CLARK. I thank the Senator.

Mr. CANNON. The provision on page 11 of the bill states:

Every person who receives a contribution for a political committee shall, on demand of the Treasurer, and in any event within five days after the receipt of such contribution, render to the Treasurer a detailed account thereof, including the amount, the name and address of the person making such contribution, and the date on which received.

Mr. CLARK. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. CANNON. 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.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a very brief period for the transaction of routine morning business at this time.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 653. An act for the relief of Capt. Robert C. Crisp, U.S. Air Force; and

S. 1601. An act to increase the appropriation authorization for continuing work in the Missouri River Basin by the Secretary of the Interior.

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

H.R. 206. An act to amend section 2733 of title 10 of the United States Code, to include authority for the settlement of claims incident to the noncombat activity of the Coast Guard while it is operating as a service in the Department of Transportation, to grant equivalent claims settlement authority to the Secretary of Defense, to increase the authority which may be delegated to an officer under subsection (g) of section 2733 of title 10 and subsection (f) of section 715 of title 32, from $1,000 to $2,500, and for other purposes;

H.R. 1948. An act for the relief of Lim Ai Ran and Lim Soo Ran;

H.R. 1960. An act for the relief of Angelique Kousoulas;

H.R. 1963. An act for the relief of employees of General Services Administration;

H.R. 2454. An act for the relief of the children of Mrs. Doris E. Warren;

H.R. 2464. An act for the relief of Yoo Young Hui, and her daughter, Ok Young;

H.R. 2477. An act for the relief of John J. McGrath;

H.R. 2978. An act for the relief of Yong Ok Espantoso;

H.R. 3430. An act for the relief of Yim Mei Lam;

H.R. 3498. An act for the relief of D. M. Dew and Sons, Inc., and Dewey Campbell;

H.R. 3734. An act for the relief of Giuseppe De Stefano;

H.R. 3810. An act to provide training opportunities for persons employed in the legislative branch of the Government;

H.R. 4534. An act for the relief of Mary Bernadette Lineham;

H.R. 4739. An act to authorize the Secretary of the Interior to grant long-term leases with respect to lands in the El Portal administrative site adjacent to Yosemite National Park, Calif., and for other purposes;

H.R. 5025. An act 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;

H.R. 5199. An act for the relief of James E. Denman;

H.R. 7599. An act for the relief of Dr. Emanuel Marcus;

H.R. 8088. An act for the relief of Willard Herndon Rusk;

H.R. 8654. An act to amend section 3731, title 18, United States Code, and section 23-105 of the District of Columbia Code, to permit an appeal by the United States in certain instances from an order made before trial granting a motion for return of seized property and to suppress evidence;

H.R. 9085. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof; and

H.R. 10773. An act to amend section 1730 of title 18, United States Code, to permit the uniform or badge of the letter-carrier branch of the postal service to be worn in theatrical, television, or motion-picture productions under certain circumstances.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 206. An act to amend section 2733 of title 10 of the United States Code, to include authority for the settlement of claims inci-

dent to the noncombat activity of the Coast Guard while it is operating as a service in the Department of Transportation, to grant equivalent claims settlement authority to the Secretary of Defense, to increase the authority which may be delegated to an officer under subsection (g) of section 2733 of title 10 and subsection (f) of section 715 of title 32, from $1,000 to $2,500, and for other purposes;

H.R. 1948. An act for the relief of Lim Ai Ran and Lim Soo Ran;

H.R. 1960. An act for the relief of Angelique Kousoulas;

H.R. 1963. An act for the relief of employees of General Services Administration;

H.R. 2454. An act for the relief of the children of Mrs. Doris E. Warren;

H.R. 2464. An act for the relief of Yoo Young Hui, and her daughter, Ok Young;

H.R. 2477. An act for the relief of John J. McGrath;

H.R. 2978. An act for the relief of Yong Ok Espantoso;

H.R. 3430. An act for the relief of Yim Mei Lam;

H.R. 3498. An act for the relief of D. M. Dew and Sons, Inc., and Dewey Campbell;

H.R. 3734. An act for the relief of Giuseppe De Stefano;

H.R. 4534. An act for the relief of Mary Bernadette Lineham;

H.R. 5025. An act 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;

H.R. 5199. An act for the relief of James E. Denman;

H.R. 7599. An act for the relief of Dr. Emanuel Marcus;

H.R. 8088. An act for the relief of Willard Herndon Rusk;

H.R. 8654. An act to amend section 3731, title 18, United States Code, and section 23–105 of the District of Columbia Code, to permit an appeal by the United States in certain instances from an order made before trial granting a motion for return of seized property and to suppress evidence; and

H.R. 10773. An act to amend section 1730 of title 18, United States Code, to permit the uniform or badge of the letter-carrier branch of the postal service to be worn in theatrical, television, or motion picture productions under certain circumstances; to the Committee on the Judiciary.

H.R. 3810. An act to provide training opportunities for persons employed in the legislative branch of the Government; to the Committee on Post Office and Civil Service.

H.R. 4739. An act to authorize the Secretary of the Interior to grant long-term leases with respect to lands in the El Portal administrative site adjacent to Yosemite National Park, Calif., and for other purposes; and

H.R. 9085. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof; to the Committee on Interior and Insular Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

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

APPROVAL OF LOAN TO SOUTH TEXAS ELECTRIC COOPERATIVE, INC.

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to Senate Report No. 497, on the approval of a loan to South Texas Electric Cooperative, Inc., of Victoria, Tex., in the amount of $5,213,000, and the use of $104,000 of funds available from previous loans, for the financing of certain transmission and minor generation facilities (with an accompanying paper); to the Committee on Appropriations.

REPORT OF U.S. INFORMATION AGENCY

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting, pursuant to law, a report of that Agency, for the 6-month period ended June 30, 1967 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. MONRONEY, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated August 28, 1967, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Martin J. Hillenbrand, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Hungary;

Brent K. Ashabranner, of Oklahoma, to be Deputy Director of the Peace Corps;

William A. Costello, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary to Trinidad and Tobago;

William O. Hall, of Oregon, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Ethiopia;

Fredric R. Mann, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Barbados;

Geoffrey W. Lewis, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Central African Republic;

Albert W. Sherer, Junior, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Togo; and

H. Rex Lee, of Idaho, to be an Assistant Administrator of the Agency for International Development.

BILLS INTRODUCED

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

By Mr. CLARK:

S. 2388. A bill to provide an improved Economic Opportunity Act, to authorize funds for the continued operation of economic opportunity programs, to authorize an Emergency Employment Act, and for other purposes; placed on the calendar.

(See the remarks of Mr. CLARK when he reported the above bill, which appears under a separate heading.)

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

S. 2389. A bill for the relief of Ali Nail and Meral Kubali; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 2390. A bill to provide for withdrawal of Federal supervision over the property and affairs of the Seneca Nation and its members, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. TYDINGS (for himself, Mr. BAKER, Mr. BREWSTER, Mr. SCOTT, and Mr. THURMOND):

S. 2391. A bill to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. TYDINGS when he introduced the above bill (for himself and other Senators), which appear under a separate heading.)

By Mr. BYRD of West Virginia:

S. 2392. A bill to provide for the preservation of safety and order upon the U.S. Capitol grounds and within the U.S. Capitol buildings; to the Committee on Public Works.

By Mr. JAVITS:

S. 2393. A bill to fix date of citizenship of Alfred Lorman for purposes of War Claims Act of 1948; to the Committee on the Judiciary.

By Mr. KENNEDY of New York (for himself, Mr. RANDOLPH, and Mr. Moss):

S. 2394. A bill to amend the Internal Revenue Code of 1954 to tax cigarettes on the basis of their tar and nicotine content; to the Committee on Commerce.

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

By Mr. KENNEDY of New York (for himself, Mr. RANDOLPH, and Mr. Moss):

S. 2394. A bill to amend the Federal Cigarette Labeling and Advertising Act with respect to the labeling of packages of cigarettes, and for other purposes; to the Committee on Commerce.

By Mr. KENNEDY of New York (for himself and Mr. RANDOLPH):

S. 2395. A bill to direct the Federal Communications Commission to establish regulations prohibiting certain broadcasting of advertising of cigarettes; to the Committee on Commerce.

S. 2396. A bill to amend the Internal Revenue Code of 1954 to tax cigarettes on the basis of their tar and nicotine content; to the Committee on Finance.

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

RESOLUTION

TO PRINT ADDITIONAL COPIES OF A REPORT TO ACCOMPANY SENATE BILL 2388

Mr. CLARK submitted a resolution (S. Res. 168) to print additional copies of a report to accompany Senate bill 2388, which was considered and agreed to.

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

WITHDRAWAL OF FEDERAL SUPERVISION OVER THE PROPERTY AND AFFAIRS OF THE SENECA NATION

Mr. JACKSON. Mr. President, I am today introducing, by request, a bill submitted and recommended by the Secretary of the Interior to provide for withdrawal of Federal supervision over the property and affairs of the Seneca Nation and its members, and for other purposes.

I ask unanimous consent that the let-

ter accompanying the draft legislation be printed at this point in the RECORD.

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

The bill (S. 2390) to provide for withdrawal of Federal supervision over the property and affairs of the Seneca Nation and its members, and for other purposes, introduced by Mr. JACKSON (by request), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. JACKSON is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 31, 1967.

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

DEAR MR. PRESIDENT: As required by section 18 of the Act of August 31, 1964 (78 Stat. 738), there is submitted herewith a plan, in the form of a draft bill, for complete withdrawal of Federal supervision over the property and affairs of the Seneca Nation and its members. This bill was developed after consultation with the Seneca Nation as indicated below.

The requirement to present such a plan was first mentioned to the Seneca Nation by the then Commissioner of Indian Affairs, Philleo Nash, shortly after the passage of the 1964 Act. In a speech made on the reservation on September 19, 1964, Mr. Nash said in regard to this subject that the views of the Senecas would be embodied in the recommendations the Secretary must make to the Congress.

During 1965, the officers of the Seneca Nation and the Bureau representative on the reservation were engrossed in the rehabilitation programs provided for by the Act, and little thought or time was given to the requirement of submitting a withdrawal plan.

On April 21, 1966, the then President of the Seneca Nation, Mr. Martin Seneca, wrote to the Department and to the Bureau expressing his concern that such a plan must be developed, and asked whether the Government had started preparing such a plan. We replied that we wanted this to be a joint project, with inputs from the Seneca Nation; that we would appoint a committee to work with the Seneca Nation and any other person designated by it; and that we were ready at any time convenient to the Senecas to discuss the provisions of the plan.

In July of 1966, a Seneca delegation met with the present Commissioner of Indian Affairs, Robert L. Bennett, and informed him that the Senecas would rather not work on the withdrawal plan until after the tribal elections in November of that year. At this meeting, the Commissioner commented on the importance of preparing the plan as a joint effort of the Government and the Indians.

Shortly after the November elections, the Bureau representative on the reservation discussed with the new President of the Seneca Nation, Mr. Calvin John, and his Council the requirements of submitting a plan. The President of the Seneca Nation came to Washington in January of 1967, and we discussed with him and counsel for the Seneca Nation an approach to the preparation of the plan.

A five-man committee of Bureau employees was named by the Commissioner, and the tribe set up an eight-man committee to prepare the document. The two committees met on the reservation on January 13, 1967, at which meeting the areas of concern were explored and the provisions of a plan were discussed. On March 22, 1967, the President of the Seneca Nation and other members of the Seneca committee came to Washington to consult with the Commissioner about the plan and received suggestions as to what features the Seneca Nation might want to incorporate into its provisions. At that time the Commissioner strongly urged that the two committees meet again soon to put the plan in final form. On March 24, a delegation, including the President of the Seneca Nation, again consulted with the Commissioner here in Washington on the contents of the plan.

When the two committees next met, it was with the Seneca Council on the reservation on May 29. At that meeting, the Seneca Tribal Council took the position it was the Government's responsibility to develop a plan; that the members of the Seneca Nation and the Council were unalterably opposed to changing the present relationship that exists between the Seneca Nation and the Federal Government (based originally on the treaty of November 11, 1794); but that the Council would analyze the contents of the plan developed by the Government.

Reacting to the results of this meeting, the Commissioner felt that he should have the views of the Senecas firsthand, so he consulted with them on the reservation on July 31, 1967. The Seneca people and the Council reiterated their objection to terminating the present relationship between them and the Federal Government, and asked the Commissioner to inform the Congress that they were strongly opposed to any legislation that would jeopardize this existing relationship.

The Commissioner informed the Senecas at this meeting that the plan would be developed by the Bureau of Indian Affairs and submitted to the Congress and to the Seneca Nation at the same time.

Section one of the draft bill presented herewith provides that all statutes of the United States which apply to Indians because of their status as Indians shall cease to apply to the Seneca Nation and its members after a date to be inserted. This will free the Seneca Nation of Federal control over the use and disposition of its property and allow the Indians to use and dispose of their lands, subject only to State law.

Section 2 terminates all Federal supervision over the expenditure of any funds appropriated by the 1964 Act, and provides for the use of unprogramed funds if there are unprogramed funds as of the withdrawal date.

Section 3 repeals Federal laws governing leasing of Seneca lands and certain hunting and fishing rights.

Section 4 of the Act retains those laws which confer criminal and civil jurisdiction over New York Indians to the State of New York. Heretofore a law conferring civil and criminal jurisdiction over Indians to a State has been considered as a withdrawal of Federal law and order services to such Indians. In addition to conferring civil jurisdiction, the 1950 Act provides for a retention of hunting and fishing rights, and provides that nothing in the Act will subject the Seneca lands to State or local taxation. This provision was put in the 1950 Act to preserve the status quo with respect to taxation, and this reason still is valid. There is a New York State statute to the effect that lands on Indian reservations in that State are not taxable.

Section 5 of the Act capitalizes the $6,000 annuity payable under a former Act of Congress. On the basis of the present division of these funds, the Seneca Nation receives 84.7 percent and the Tonawanda Band of Senecas receives 15.3 percent. The sum representing the Senecas' share has been capitalized at 6 percent.

Under section 6, the $4,500 annuity payable to the Six Nations of Indians under the treaty of 1794 has been apportioned to the Seneca Nation, which now receives 56 percent of the $2,700 paid annually to the New York Indians. The other $1,800 of this payment is paid to the Oneida Indians in Wisconsin. Here again, the amount apportioned to the Senecas has been capitalized at 6 percent.

Section 7 provides for an option to the capitalization of the annuities whereby the Senecas could accept annually their share of the annuities in a lump sum, thereby relieving the Government of the burden of distribution. The Bureau now maintains the annuity rolls and arranges to have the individual checks written for the $6,000 annuity, and makes the division of the "treaty cloth" purchased with the $4,500 annuity.

Section 8 would not abrogate any valid leases, permits, licenses, etc., heretofore approved, including the original treaty between the United States and the Six Nations, nor affect the status of the Senecas as citizens of the United States, nor affect any claims heretofore filed by them against the United States, nor prevent them from participating in any Federal program that is available to other persons or groups without regard to race.

With respect to the treaty dated November 11, 1794, between the United States and the Six Nations, we are proposing that its provisions, except for a capitalization of the annuity, be allowed to remain intact. If the provisions of this treaty are abrogated, the Indians very much fear that they will lose their identity as Indians and that their lands will become taxable. This treaty is publicized as the first treaty made between President George Washington and the Indians. We do not believe the American public would want the Federal Government to abrogate this treaty unilaterally. All of the other Indians of the Six Nations are even now alarmed, as are the Senecas, that this treaty might be broken.

In connection with Indian identity, the Federal Government has recognized other groups of Indians without providing them special services because of their status as Indians. In 1956, by the Act of June 7 (70 Stat. 254), the United States designated certain Indians in North Carolina as the Lumbee Indians but without rights to receive special services because of their status as Indians. On October 8, 1964, by Private Law 88-350, the Government conveyed certain lands to the Pascua Yaqui Association, Inc., an association of Yaqui Indians in Arizona who had not been previously recognized as Indians. There is pending in Congress H.R. 10599 to recognize the Tiwa (Tigua) Indians of Texas as Indians without rights to receive special services. We believe that the Seneca Indians, who belong to one of the tribes longest recognized by the Federal Government, deserve no less than the Lumbees, the Yaquis, and the Tiwas.

Section 9 is the so-called "consent" provision. The position of the Department is that severance of the relationship between the Seneca Nation and the Federal Government is not objectionable if it is done by mutual consent. The bill provides for a referendum and is therefore consistent with this policy; the bill will not become effective until it is accepted by a majority of the eligible voters of the Seneca Nation voting on the issue. In termination legislation most recently enacted by the Congress, the consent provision has been incorporated. See: the Act of September 21, 1959 (73 Stat. 592), Catawba Indians; the Act of September 5, 1962 (76 Stat. 429), Ponca Indians; and the Act of August 11, 1964 (78 Stat. 390), California Lands. See also S. 282 and H.R. 3051 (Colville) presently pending before the Congress.

Section 10 authorizes the appropriation of the necessary amount to capitalize the share of the annuities paid to the Seneca Nation if they are paid in a lump sum.

The Bureau of the Budget has advised

that, having taken note of the statutory requirement for submission of a plan, there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely yours,

DAVID S. BLACK,
Secretary of the Interior.

S. 2390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as otherwise provided in this Act, all statutes of the United States which apply to Indians because of their status as Indians shall cease to apply to the Seneca Nation and its members ——— years from the date of this Act.

SEC. 2. Not later than ——— years from the date of this Act, the Secretary of the Interior shall approve the plans and programs required by section 4 of the Act of August 31, 1964 (78 Stat. 738), and shall release all Federal supervision over the expenditure of any funds appropriated pursuant to said Act. Any funds that are unprogramed on that date shall be placed in a commercial trust account and shall be available for the purposes and subject to the same limitations as set forth in section 4 of said Act. The other provisions of said Act shall not be affected by the enactment of this Act.

SEC. 3. The Acts of February 19, 1875 (18 Stat. 330), September 30, 1890 (26 Stat. 558), January 5, 1927 (44 Stat. 932), and August 14, 1950 (64 Stat. 442), as amended, are repealed.

SEC. 4. The Act of July 2, 1948 (62 Stat. 1224), and the Act of September 13, 1950 (64 Stat. 845), shall not be repealed or modified by the enactment of this Act.

SEC. 5. The $6,000 annuity payable to the Seneca Tribe of Indians under the Act of February 19, 1831 (4 Stat. 442), shall be apportioned as follows: $5,082 to the Seneca Nation and $918 to the Tonawanda Band. The amount apportioned to the Tonawanda Band shall continue to be paid annually until otherwise provided by law. In lieu of all future annuity payments to the Seneca Nation, the sum of $84,700 shall be paid directly to the members of the Seneca Nation on the last annuity roll, such sum representing $5,082 capitalized at 6 percent: *Provided,* that this sentence shall not apply if the Seneca Nation exercises the option granted by section 7.

SEC. 6. The $4,500 annuity payable to the Six Nations of Indians under article VI of the treaty of November 11, 1794 (7 Stat. 46), shall be apportioned as follows: $1,512 to the Seneca Nation and $2,988 to the remaining tribes of the Six Nations. The amount apportioned to such remaining tribes shall continue to be paid annually until otherwise provided by law. In lieu of all future annuity payments to the Seneca Nation, the lump sum of $25,200 shall be paid to the Seneca Nation, such sum representing its share of the annuity of $1,512 capitalized at 6 percent: *Provided,* That this sentence shall not apply if the Seneca Nation exercises the option granted by section 7.

SEC. 7. The Seneca Nation may have the option to accept the annuity payments payable to the members of the Seneca Nation under the Act of February 19, 1831 (4 Stat. 442), and article VI of the treaty of November 11, 1794 (7 Stat. 46), in one payment each year and assume the responsibility without cost to the United States for any distribution to individual members of the Seneca Nation.

SEC. 8. Nothing in this Act shall—

(a) Abrogate any valid lease, permit, license, right-of-way or other contract heretofore approved, including the treaty of November 11, 1794 (7 Stat. 46), as to the perpetual peace and friendship established between the United States and the Six Nations, as to acknowledging the established reservations as belonging to the tribes mentioned, and as to protecting the Indians in the free use and enjoyment of their reservations;

(b) Affect the status of the members of the Seneca Nation as citizens of the United States;

(c) Affect any claim heretofore filed against the United States by the Seneca Nation; or

(d) Preclude the Seneca Indians from participating in any Federal program that is available to other persons or groups without regard to race.

SEC. 9. The provisions of this Act shall not become effective until a resolution consenting to its provisions has been approved by a majority of the eligible voters of the Seneca Nation voting in a referendum for that purpose which shall be conducted by the Secretary of the Interior.

SEC. 10. There is hereby authorized to be appropriated the sum of $109,900 to pay the capitalized annuities authorized by this Act.

NATIONAL VISITORS CENTER

Mr. TYDINGS. Mr. President, all of us recognize that facilities available to assist the millions of people who visit our Nation's Capital are woefully inadequate. For this reason, Congress enacted last year legislation authorizing a National Visitors Center Study Commission to examine the magnitude of the need and recommend to Congress the facilities required to meet this need. This Commission is ably chaired by Secretary of the Interior Udall, and I am honored to serve as a member.

I am introducing today, for myself and Senator BAKER, Senator BREWSTER, Senator SCOTT, and Senator THURMOND, proposed legislation which represents the best judgment of the Commission that, at a minimum, a National Visitors Center is urgently needed, that this Center should be located in the Union Station terminal, and that the Federal Government be authorized to enter into a lease agreement with the Washington Terminal Co., owner of Union Station, so Union Station can be used for the Center and for parking lots to accommodate visitors. The bill also authorizes the Secretary of the Interior to arrange a shuttle service for visitors between the Visitors Center and the museums and other historic sites along the Mall.

In 1965, an estimated 10 million visitors came to Washington to see our historic buildings and monuments. This means that almost 50,000 people were visiting here every day during the summer months. By 1976, almost double that number—or 96,000 visitors a day—can be expected during the summer months. These figures dramatically illustrate that Washington, D.C., is a mecca for visitors. But we have taken little action thus far to ensure that visitors have a rewarding and educational experience in this city. Enactment of this legislation would be a significant contribution toward meeting our responsibilities to the millions of visitors from this country and abroad who come to the Nation's Capital.

I ask unanimous consent that the full text of the National Visitors Center Act of 1967 be printed in the RECORD at this point.

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

The bill (S. 2391) to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes, introduced by Mr. TYDINGS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 2391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Visitor Center Act of 1967".

SEC. 2. The Administrator of the General Services Administration and the Secretary of the Interior, on behalf of the United States, are authorized to negotiate and enter into agreements and leases with the Washington Terminal Company, the owner of the property in the District of Columbia known as Union Station, for the use of portions of such property for a national visitor center and for a parking facility in connection therewith.

SEC. 3. (a) The agreements and leases authorized by section 2 of this Act shall be subject to the following terms and conditions:

(1) The Washington Terminal Company shall agree to undertake such alterations of the existing Union Station Building as the Secretary of the Interior deems necessary to provide adequate facilities for visitors, but the total cost of such alterations shall not exceed $5,000,000;

(2) The lease of the Union Station Building to the United States shall commence upon completion of such alterations and shall be for a term of not more than twenty years;

(3) The Washington Terminal Company shall undertake the construction of a parking facility, including a vehicular access ramp thereto, to accommodate approximately four thousand vehicles in the airspace immediately northerly of existing Union Station Building, at a total cost not to exceed $11,000,000, which facility, upon completion, shall be leased to the United States for a term of not more than twenty years;

(4) The Washington Terminal Company shall construct a new railroad terminal in the area immediately northerly of such parking facility; and

(5) The aggregate cost to the United States of the leases entered into under this Act may not exceed $2,935,000 annually.

(b) The agreements and leases authorized by section 2 of this Act shall be subject to such other terms and conditions as the Administrator of the General Services Administration and the Secretary of the Interior prescribe.

SEC. 4. The Secretary of the Interior shall administer the property leased under this Act in accordance with the statutory authority available to him for the administration of the national park system.

SEC. 5. In connection with his responsibilities to administer any areas in the Mall and its vicinity in the District of Columbia which contain points of intensive visitation or interest, the Secretary of the Interior is directed to utilize the authority in the Act of May 26, 1930 (46 Stat. 382) as amended and supplemented, to provide transportation of visitors by the United States when the Secretary deems such action advisable to facilitate such visitation and to insure proper management and protection of such areas. The Secretary is also directed to make

provision for such transportation of visitors to the National Visitor Center established pursuant to this Act.

SEC. 6. The District of Columbia shall not, during the term of any lease entered into by the United States and the Washington Terminal Company pursuant to this Act, include in the assessed valuation of the leased properties for tax purposes any increase in value by reason of the improvements made on such properties by said company in meeting its obligations under any lease or agreement made pursuant to this Act.

SEC. 7. (a) In connection with the construction of the parking facility contemplated by this Act, the District of Columbia shall, upon the request of the Administrator of General Services Administration, transfer to the said Administrator any real property under its jurisdiction which may be necessary to provide vehicular access to California Avenue.

(b) Any alteration in the existing traffic pattern in Union Station Plaza necessitated or made desirable by reason of the parking facility shall be made only after prior consultation with the Architect of the Capitol.

SEC. 8. Notwithstanding the execution of any agreement or lease pursuant to this Act, the Secretary of the Interior is directed to make a continuing study of the needs of visitors to the Washington metropolitan area, including therein the necessity and desirability of different or additional visitor centers, and to report to the President who shall submit to the Congress such recommendations as he deems appropriate.

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. BREWSTER. Mr. President, I should like to congratulate my distinguished colleague from Maryland, Senator TYDINGS, for introducing what I consider to be a very important measure, the National Visitor Center bill.

I am proud to be a cosponsor of this legislation.

Ever since I began to work in Washington, I have been troubled by the congested and often confused flow of visitors to the city.

It is estimated that during the course of this year, 21 million tourists will have visited the Capital. In 1960, the figure was only 15 million. In 1970, we can expect 24 million, a figure that by 1980, could rise to 35 million.

I find this trend very encouraging for commerce in the city of Washington. The more who come here, the merrier—as far as the welfare of the city is concerned.

Certainly, there is no city in the United States of greater interest to the visitor than Washington. Not only do these 10 square miles contain the very marrow of our history, but they encompass avenues of unparalleled beauty, parks of great natural splendor, buildings of historical and architectural note, and the embodiment of this, our Government, at work.

Every schoolchild wants to come here, to push the buttons in the Smithsonian, to hear the tommygun fire at the FBI, to see the greenbacks at the mint.

Adults like to stroll on the Mall, listen to a debate in Congress, walk through the National Gallery and the White House, attend a Watergate concert, and share the interesting sights of the city with their children.

No other American city offers the combination of Government activity, cultural life, and sheer physical beauty that makes Washington such an attractive city. As long as Americans continue to travel more, more Americans will visit Washington. It is our job to make their visits pleasant and rewarding.

This job becomes more difficult as traffic jams clog the city, and as lack of parking space makes it increasingly difficult to abandon the family car.

The need reaches beyond parking and transportation. There is so much to see in this city that a tourist needs some central place in which to find out what he can see and when, and where he can learn the history of various landmarks. He needs a place in which to coordinate his visit so that he and his family can make the best of their time in Washington.

Senator TYDINGS' bill, resulting as it does from a yearlong study by the National Visitors Center will provide a centralized information bureau for the convenience of the tourist.

Second, the Center will include facilities for parking 4,000 vehicles and will act as a terminal for intracity sightseeing vehicles. At long last, the visitor will be able to abandon his car—and keep it off the streets—and hop onto a convenient form of public sightseeing transportation.

Third, the informational displays set up inside the Center would help the visitor to understand what actually goes on in the many, many Government office buildings he passes. Today, if the tourist is lucky, he catches a glimpse of Congress in session, and he may even hear a Supreme Court decision. Unfortunately, however, he can get little real feel for the day-to-day working of the Federal Government, so he departs with an incomplete picture.

I should like to see the Center filled with displays, lectures, and films that would put across some of the real excitement of Government, thereby leaving the older visitor with a respect for Government work, and hopefully tantalizing the younger to explore a Government career.

Fourth, Senator TYDINGS' bill envisions the preservation and utilization of an important historical building. This building is, of course, Union Station, a landmark which I have always regarded as the gateway to Washington.

With its vast open space, majestic view of Capitol Hill, and central location, I can think of no building that could be adapted better to use as a Visitors Center than Union Station. Such an adaptation would also insure its preservation from the sort of fate that greeted Pennsylvania Station in New York.

Fifth, with a war raging in Vietnam, we cannot help but be attracted by the economical features of Senator TYDINGS' bill.

Under the terms of the bill, the Washington Terminal Co., which owns Union Station, would spend a total of $19½ million to adapt the building and constructing parking facilities. No Federal funds whatsoever would be involved in construction or renovation.

What the Tydings bill does is to specify the extent of construction and renovation, and then authorizes the Secretary of the Interior to lease the Center for approximately $2.9 annually.

Any way you look at it, this bill gives the taxpayer a very fair deal for his money. In few other projects would he be able to see his tax dollar put to more sensible, practical, and economical use.

In addition, the National Visitors Center, as envisioned in the Tydings proposal, would most certainly bring a long-run increase in revenue to the District of Columbia.

Already, tourists spend over $350 million a year in Washington. It has been estimated that the comfort and convenience of a National Visitors Center could possibly double the average stay of a visitor, thus greatly increasing the numbers of dollars spent in the Capital City.

Once again, in urging strong support for the National Visitors Center bill, I should like to congratulate my distinguished friend and colleague from Maryland, Senator TYDINGS, and the other members of the National Visitors Center Study Commission for their hard work and superior recommendations.

CIGARETTE SMOKING LEGISLATION

Mr. KENNEDY of New York. Mr. President, I rise for the purpose of introducing three bills, for myself and Senator RANDOLPH, which seek to respond to this country's mounting death rate from cigarette smoking. In addition, Senate Moss is a cosponsor of one of the three bills.

The facts and figures are familiar and frightening:

More than 250,000 premature deaths each year from cancer and other diseases associated with cigarette smoking.

Eleven million extra chronic diseases annually among this country's cigarette smokers.

The conclusion in the second Surgeon General's report that cigarette smoking is the "principal" cause of lung cancer and the "most important" cause of death and disability from chronic bronchitis.

Between 4,000 and 5,000 children starting to smoke each day.

A million children now in school dead before their time of lung cancer, if present rates continue.

Something must be done now to control the advertising which encourages young people to start smoking at the rate of 1,500,000 a year. In my judgment, industry self-regulation of advertising has been totally inadequate. Therefore, today I am introducing two bills relating to cigarette advertising.

The first—and this is the bill on which Senator Moss has joined with Senator RANDOLPH and me—would require a warning in all advertising—"Warning: Cigarette Smoking Is Dangerous to Health and May Cause Death From Cancer and Other Diseases." The FTC recently reported to Congress that the 1965 labeling law had been ineffective in discouraging cigarette smoking. I believe, therefore, that it is time we toughened the warning and required it in all advertising as well as on the package. This bill is similar to one introduced recently

in the House by Congressman JOHN MOSS. It varies from the Moss bill in that it specifically authorizes the FTC to promulgate regulations concerning the form and position of the warning in the ad, in order to prevent evasion of the warning requirement by creative advertising copywriters. It would also amend the labelling act to require that the label be placed on the front of the package. The FTC would be expected to promulgate regulations to insure that the label is conspicuous.

There is one matter about this bill that I would stress particularly. The FCC's recent ruling on the fairness doctrine—demanding television and radio stations carry health messages as well as cigarette advertising—is wise and constructive, and I do not intend that it be impaired in any way by the introduction of the warning legislation. I do not agree with the speculation that a bill such as the one I am proposing today would build compliance with the fairness doctrine into each ad, and eliminate the need for free anti-smoking time. For the health warning in each advertisement does not really state the case against cigarette smoking. More affirmative, more dramatic presentations of smoking's hazards are needed, and that is the point of the FCC's "fairness" ruling.

The second bill I am introducing today would authorize the Federal Communications Commission to regulate cigarette advertising in three additional ways. First, the FCC would be allowed to determine the times at which cigarette advertising might appear. The National Congress of PTAs recently resolved that advertising be discontinued before 9 p.m. That would seem to be a sensible beginning. Second, this bill would authorize the FCC to determine the kinds of programs on which cigarette advertising might appear. Sporting events, for example, have a sizable audience of young people and the FCC may deem it necessary to prohibit cigarette advertising on such programs. Third, the FCC would have the power to set the over-all volume of cigarette advertising.

The third bill I am introducing today is intended to discourage the sale of the more lethal brands of cigarettes. Dr. George Moore told the Senate Commerce Committee last week that cigarettes with less than 15 milligrams of tar are about half as dangerous as the average cigarette. We should never let people delude themselves into thinking that any cigarette is "safe." Yet cigarettes with less tar and nicotine are relatively less harmful, and that is why I am introducing a bill to establish a sliding scale tax on cigarettes. The current rate—$4 per 1,000 cigarettes—would remain on cigarettes with less than 10 milligrams of tar and .8 milligrams of nicotine. Others would be taxed at higher rates, with a rate of $15 per thousand imposed on cigarettes with more than 30 milligrams of tar or 1.6 milligrams of nicotine. This legislation would speed the development of low tar, low nicotine cigarettes, and enable the public to spot the more dangerous cigarettes by their higher prices.

Mr. President, I expanded on all of these matters in remarks yesterday before the World Conference on Smoking and Health. I ask unanimous consent that the three bills and these remarks be incorporated in the RECORD.

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

The bills, introduced by Mr. KENNEDY of New York (for himself and other Senators), were received, read twice by their titles, appropriately referred, and ordered to be printed in the RECORD, as follows:

S. 2394. A bill to amend the Federal Cigarette Labeling and Advertising Act with respect to the labeling of packages of cigarettes, and for other purposes; to the Committee on Commerce:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) is amended—

(1) by striking out the caption and inserting in lieu thereof "LABELING AND ADVERTISING";

(2) by inserting "(a)" immediately after "SEC. 4.";

(3) by striking out "'Caution: Cigarette Smoking May Be Hazardous to Your Health.'" and inserting in lieu thereof "'Warning: Cigarette Smoking Is Dangerous to Health and May Cause Death From Cancer and Other Diseases"; or the package of which fails to state the average tar and nicotine yields per cigarette in such package as determined by a method approved by the Secretary of Health, Education, and Welfare.";

(4) by striking out "Such statement" in the second sentence thereof and inserting in lieu thereof "Each such statement";

(5) by striking out "on every" in the second sentence thereof and inserting in lieu thereof "on the face of every"; and

(6) by adding at the end thereof the following new subsection:

"(b) It shall be unlawful for any person to disseminate or cause to be disseminated any advertisement which is intended to induce, directly or indirectly, the purchase of any cigarettes in commerce, unless there is included as a part of such advertisement the statement 'Warning: Cigarette Smoking Is Dangerous to Health and May Cause Death From Cancer and Other Diseases', and a statement of the average tar and nicotine yields per cigarette (as determined by a method approved by the Secretary of Health, Education, and Welfare) of the cigarettes referred to in such advertising."

SEC. 2. Section 5 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1334) is amended—

(1) by striking out the caption and subsections (a), (b), and (c) of such section and inserting in lieu thereof the following:

"ENFORCEMENT OF ADVERTISING REQUIREMENTS AND REGULATION OF LENGTHS OF CIGARETTES

"SEC. 5. (a) The Federal Trade Commission, after consultation with the Federal Communications Commission in appropriate cases, is authorized to prescribe the form and manner of the statements in cigarette advertisements required by section 4(b) of this Act.

"(b) Any violation of any provision of section 4(b) of this Act or regulations relating to advertising prescribed pursuant to such section shall constitute an unlawful advertising of drugs for purposes of sections 12, 13, 14, and 15 of the Federal Trade Commission Act (15 U.S.C. 52, 53, 54, and 55) and such provisions and regulations shall be subject to enforcement under such sections.

"(c) If the Secretary of Health, Education, and Welfare determines that longer cigarettes increase the risk to persons smoking such cigarettes of incurring or aggravating any disease or diseases or other debilitating physiological condition or conditions, he may, in cooperation with the Federal Trade Commission, after notice and opportunity for a hearing, prescribe rules establishing a maximum length or maximum lengths for cigarettes.

"(d) It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any cigarette which is longer than the maximum length for such cigarettes under rules prescribed pursuant to subsection (a) of this section."; and

(2) by striking out "(d)" and inserting in lieu thereof "(e)".

SEC. 3. Section 10 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1339) is repealed.

SEC. 4. The amendments made by this Act shall take effect on the one hundred and eighty-first day after the date of enactment of this Act.

S. 2395. A bill to direct the Federal Communications Commission to establish regulations prohibiting certain broadcasting of advertising of cigarettes; to the Committee on Commerce:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by inserting at the end thereof a new section as follows:

"PROHIBITION OF CERTAIN BROADCASTING OF ADVERTISING OF CIGARETTES

"SEC. 331. The Commission shall establish, and make effective not later than six months after the effective date of this section, such regulations as may be necessary to (1) prohibit any licensee from broadcasting any advertising of cigarettes between such hours and in connection with such types of programs as the Commission determines would be most likely to influence children of elementary or secondary school age, and (2) regulate the total amount of such advertising broadcast to such extent as the Commission determines for the purpose of protecting the health and welfare of the public and particularly children of elementary or secondary school age."

S. 2396. A bill to amend the Internal Revenue Code of 1954 to tax cigarettes on the basis of their tar and nicotine content; to the Committee on Finance:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5701(b) of the Internal Revenue Code of 1954 (tax on cigarettes) is amended to read as follows:

"(b) CIGARETTES.—On cigarettes, manufactured in or imported into the United States, there shall be imposed the following taxes:

"(1) SMALL CIGARETTES.—On cigarettes weighing not more than 3 pounds per thousand, the tax shall be the lowest tax applicable under the following table:

"If the tar content thereof is—	If the nicotine content thereof is—	The tax per thousand cigarettes shall be—
10 mg. or less and	0.8 mg. or less	$4
20 mg. or less and	1.4 mg. or less	7
30 mg. or less and	2 mg. or less	10
More than 30 mg. or	More than 2 mg	15

"(2) LARGE CIGARETTES.—On cigarettes weighing more than 3 pounds per thousand, the tax per thousand shall be 2.1 times the tax prescribed by paragraph (1); except that, if more than 6½ inches in length, such cigarettes shall be taxable under paragraph

(1), counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

"(3) Determination of tar and nicotine content—

"(A) TESTING BY FEDERAL TRADE COMMISSION.—The Federal Trade Commission shall from time to time (but not less often than once each calendar quarter) test each brand of cigarette manufactured in or imported into the United States for the tar and nicotine contents of cigarettes of such brand. The conditions, methods, and procedures for conducting such tests shall be prescribed by (and may be changed by) the Commission by regulations issued by it for purposes of this paragraph. Until such time as such regulations are first issued, the conditions, methods, and procedures for conducting such tests shall be those approved by the Commission for formal testing which are in effect on the date of the enactment of this paragraph.

"(B) CERTIFICATION TO SECRETARY.—At least once each calendar quarter, the Chairman of the Federal Trade Commission shall certify to the Secretary or his delegate, on the basis of the tests conducted pursuant to subparagraph (A), the tar and nicotine content of each brand of cigarettes manufactured in or imported into the United States. The tar and nicotine content of a brand of cigarettes as contained in such certification shall, for purposes of applying paragraphs (1) and (2), be the tar and nicotine content of cigarettes of such brand for the period beginning with the day after such certification is made with respect to such brand and ending with the day on which the next certification is made with respect to such brand."

(b) The amendment made by subsection (a) shall take effect on the first day of the first calendar quarter which begins more than 30 days after the date of the enactment of this Act, except that, with respect to the authority of the Federal Trade Commission to issue regulations for purposes of section 5701(b)(3) of the Internal Revenue Code of 1954 (as added by subsection (a)), such amendment shall take effect on the date of the enactment of this Act.

The address, presented by Mr. KENNEDY of New York, is as follows:

ADDRESS BY SENATOR ROBERT F. KENNEDY, WORLD CONFERENCE ON SMOKING AND HEALTH

I am honored to address this distinguished group today. For I believe your conference to be one of the most important meetings ever held to discuss a health problem. Your presence indicates your agreement with that statement—for this is truly a world conference, and it is a conference of the highest order as well. You represent some 34 nations, and it does honor to the conference that so many countries have sent such distinguished delegations of officials. And it is especially appropriate that your conference chairman is Dr. Luther L. Terry, who, as Surgeon General of the United States, was responsible for the historic report without which this conference would perhaps not have occurred.

Nor is it surprising that you attached enough significance to the problem to come here from so far away. All of you face mounting death rates from cigarette smoking, some more serious than in the United States. Great Britain, for example, has a higher death rate from lung cancer than we do. And all of you share with us a distressing lack of knowledge about how to convince people—particularly young people— not only that cigarettes may kill them, but that they should do something about it.

Most of my remarks today will be directed to the situation in the United States. But I believe they are relevant and applicable for all of you in greater or lesser degree depending on your population and the number of smokers in your country.

I need not rehearse the terrible facts about smoking in the United States for you in any great detail:

Over a quarter of a million premature deaths each year from diseases associated with cigarette smoking.

Eleven million extra chronic diseases in the cigarette smoking population.

The fact that one third of all male deaths between 35 and 60 are premature deaths from diseases associated with cigarette smoking.

The conclusion in the second Surgeon General's report that cigarette smoking is the "principal" cause of lung cancer and the "most important" cause of death and disability from chronic conditions.

Neither is there need for me to rehearse the urgency of action in any detail.

Death from lung cancer increasing almost geometrically—from 2,500 in 1930, shortly after smoking started becoming a national habit, to 50,000 now.

48 million Americans smoking 542 billion cigarettes last year, 2.5 percent more than they smoked the year before.

Over 4,000 children starting to smoke every day, nearly a million and a half a year.

A million children now in school dead before their time of lung cancer, if present rates continue.

Nor is there need for me to document these facts extensively. The original Surgeon General's report was based on over 3,000 studies, and the recent supplement to it was based on over 2,000 studies published since 1964. No responsible health organization which has examined the problem has disagreed with these essential facts.

And let me emphasize what I think is the most distressing projection of all. The quarter of a million early deaths are a little less than a seventh of all the deaths in America each year. At present rates, then, one seventh of all Americans now alive—about 28 million people—will die prematurely of diseases associated with cigarette smoking. These are round figures, but they are not far from the mark.

Having stated these facts, let me make my position about them clear:

Every year cigarettes kill more Americans than were killed in World War I, the Korean War, and Vietnam combined; nearly as many as died in battle in World War II. Each year cigarettes kill five times more Americans than do traffic accidents. Lung cancer alone kills as many as die on the road. The cigarette industry is peddling a deadly weapon. It is dealing in people's lives for financial gain.

Cigarettes would have been banned years ago were it not for the tremendous economic power of their producers. If the cigarette industry's economic power were as minuscule as that of the marihuana industry, cigarettes would surely be illegal now and their sale subject to severe penalty as a health hazard.

The cigarette companies have demonstrated a total inattention to public responsibility. But it is also a reflection on our society—on all of us—that cigarette smoking has been permitted to continue in our various countries. There is no reason for another generation of mankind to end up disabled and the victim of premature death. We must act—and act now.

Given the tremendous economic power of those who oppose action, what can we realistically expect to do about this grave public health problem? That is where this conference plays—and must play—such an important role. For I believe you can—and must—use the opportunity to chart a course for the rest of us, in the United States and in your own countries. You can use these few days to say what must be done—by government at all levels, by voluntary agencies, and by the people themselves. Your recommendations for a specific set of actions will be of great value.

There are at least three fundamental questions before you:

What can be done to discourage young people from beginning to smoke?

What can be done to encourage those who are already smoking to end their habit?

What can be done to make cigarettes relatively less harmful?

Each of these questions raises others in turn.

First, what about cigarette advertising? Nearly $300 million a year is spent in the United States alone on television, radio, and newspaper efforts to start young people smoking and continue others in their habit. We cannot seriously expect to make major inroads in people's smoking habits while $300 million a year is being spent to increase the numbers of those addicted. Action is needed to limit and counteract this massive onslaught.

If we were starting fresh, I would say the first line of action would be industry self-regulation of advertising. But we have witnessed a charade of purported self-regulation for some years. The codes of self-regulation have been largely ineffective, and I see little hope for change.

Recently, for example, the Federal Trade Commission reported that the average youngster watches more hours of cigarette-sponsored television than the average adult.

And look at the rather foolish distinctions made in the revised broadcasters guidelines that went in effect just the other day. Active sports such as baseball and tennis cannot be shown, but fishing can be sometimes—that is, passive angling can be depicted, but not fishing that involves exertion, as for marlin or sailfish. And although active sports activity is out, it is all right to show a person with a sports prop—having a smoke after the tennis match, one imagines. Uniformed personnel—airline pilots and the like—cannot appear in the foreground of an ad, but can be part of the background. And doormen and bellboys are all right anytime.

More important, the codes use 45 percent or more of the viewing audience as the test for whether the program is youth-oriented. So far as I know, the Beverly Hillbillies is the only program thus far where advertising, once begun, was discontinued under this test. But there are dozens of nationally televised events—especially sports events—where millions watch, including millions of children even though they are not 45 percent of the audience. The codes do not reach this problem.

So I do not think anyone can be impressed with self-regulation up to now. Nevertheless, I did write recently to the major cigarette companies and the television networks to ask what further self-regulatory steps they plan to take. I am looking forward to discussing the matter with representatives of the two industries.

What might they do? There are at least three minimum steps that I think should be taken: no advertising of cigarettes before 9:00 p.m., a step the National Congress of PTAs called for at its recent convention; a more realistic definition of programs which young people are likely to watch; a limit on the overall amount of advertising. I emphasize the latter to the networks, because some 15 percent of their prime-time advertising is for cigarettes. If a ban on radio and television advertising of cigarettes is enacted at some point—and I favor such a ban—they will be better prepared if they have voluntarily scaled down the volume of cigarette advertising and replaced it with other sponsors.

Short of enacting a ban of advertising, which does not seem likely at the moment, what might we in Congress do now? We can enact the tar-nicotine bill proposed by Senator Magnuson—who has led the fight on smoking and health in Congress and will address you later this week. This bill would require disclosure of tar and nicotine content on packages and in advertising. I be-

lieve the bill will encourage a constructive "reverse tar derby," and I think it should therefore be enacted—now.

In addition, I plan tomorrow to introduce two bills relating to advertising. The first is a strengthened version of Senator Neuberger's bill to require a warning in all advertising—"Warning: Cigarette Smoking Is Dangerous to Health and May Cause Death From Cancer and Other Diseases". While the 1965 labelling law was a small step forward, it has not reduced smoking appreciably. It is time the warning requirement was extended to advertising. The second bill would authorize the Federal Communications Commission to regulate the times and types of programs on which cigarette advertising may appear, and the over-all volume of cigarette advertising as well. These are the self-regulatory steps I have called for from the industry, but the Federal Communications Commission should have power to impose them if the industry does not act.

To anyone who opposes these proposals as unprecedented or extreme, I think I need quote only the observation of the Federal Communications Commission in reaffirming its "fairness" ruling just the other day. The Commission said it knew of no other "advertised product whose normal use has been found by the Congress and the Government to represent a serious potential hazard to public health."

There has been one important and encouraging development in regard to cigarette advertising—the FCC's ruling on the "fairness" doctrine, to which I just referred. This decision has already had an impact. A Chicago television station in one recent month provided $17,500 worth of prime time for educational messages on smoking. An Akron, Ohio television station now carrying 46 cigarette ads a day has agreed to carry an equal number of anti-smoking spots. And the American Cancer Society, which distributed 1,100 copies of TV spots over the 3 years before the FCC ruling, has sent out 2,000 in the 3 months since.

Like all laws, this wise and constructive ruling will be of less than full effect unless enforced. Compliance has already been good in some localites. But there are some 3,000 cigarette spots on television each week around the country. According to FCC guidelines, there should, therefore, be about 1,000 health warning spots in response. Some of these should be on the network shows where so many cigarette advertisements appear. To enforce compliance, I would urge the FCC to set up a unit to report on failure to comply. And I trust that radio and television stations will report the volume of health warning messages they carry to the American Cancer Society and other voluntary agencies.

I would also urge the American delegates, when they return home, to organize groups to monitor radio and television stations to check compliance and to demand it and complain to the FCC if it is found wanting. This has already been done in Denver, and perhaps elsewhere. It should be done everywhere, for I believe the FCC ruling is one of the most promising developments that has yet occurred in the effort to acquaint Amercans with the dangers of cigarette smoking.

There has been some speculation that legislation requiring a warning in advertising would build compliance with the fairness doctrine into each ad, and eliminate the need for free antismoking time. I do not accept that interpretation, and will so state in introducing the warning legislation in the Senate. The warning does not state the case against cigarette smoking. Rather, it contains only a conclusion that smoking is harmful. In my judgment, affirmative presentations of the underlying facts would still be very much in order.

Let me say one more word about cigarette advertising, or rather, let Emerson Foote say the last word, since he puts things so well. Here is what he wrote me, and this is the entire letter:

"To me, the situation of cigarette advertising on television is like this:

1. Television advertising encourages people to smoke cigarettes.
2. Cigarettes kill people—in large numbers.
3. It is not morally justifiable to encourage people to kill themselves.
4. Therefore, cigarette advertising on television should be banned."

And with this I agree.

Second, what is to be the content of educational efforts against smoking? We do not yet know enough about what techniques are most effective in convincing young people—and their parents—not to smoke. You must, therefore, exchange views about the content of educational material, about how to conduct withdrawal clinics, about the kind of appeal and guidance that is effective. That exchange is especially important because of the opportunity presented by the FCC ruling. It will benefit us all.

I would only suggest that anti-smoking material should show the danger involved clearly and graphically, and with all the ingenuity that Madison Avenue uses to suggest that smoking is a desirable activity. One suggestion that I thought appropriate would place the tough, rangy man with the tattoo on his hand in front of a hospital ward and have him say, "This is Emphysema country."

Let me add that the matter of education of the parents is important not just for their health, but is critical if we are to have any success with the children. For if the children see their parents and teachers smoking, efforts to convince them not to are unlikely to have much effect.

Third, what is the role of the various institutions in our society in discouraging smoking? We have discussed some things that government might do. Should the government also forbid smoking in facilities—or parts of facilities—that it runs? Should private employers take similar action? Should health agencies expand their activities? These are all questions for your consideration.

I recently urged those airlines in the United States which still distribute free cigarettes to their passengers to end that practice. Are their other ways in which business could indicate its view that smoking is hazardous?

Fourth, how can we encourage the development of less harmful cigarettes? We must above all be careful that this effort does not mislead the public. For it is all too likely that the ordinary smoker will just keep on smoking, content in the belief that the "safe" cigarette is just around the corner. There is no safe cigarette, and there is none foreseeable in the near future. The public must not be allowed to believe otherwise.

On the other hand, we do know that cigarettes with less tar and less nicotine are less harmful. Dr. George Moore told the Senate Commerce Committee last week that cigarettes with less than 15 milligrams of tar are about half as dangerous as the average cigarette. That is why Senator Magnuson's tar-nicotine disclosure bill is constructive. That is why most of the 100 millimeter cigarettes are so especially dangerous, and should be banned. That is why it would be a good idea to put a red circle on the cigarette to warn the smoker when the high tar portion of the cigarette has been reached; even more effective would be an aluminum overwrap which would snuff out the cigarette at that point.

And that is why I will introduce a third bill tomorrow to establish a sliding scale tax on cigarettes. The current rate—$4 per 1,000 cigarettes—would remain on cigarettes with less than 10 milligrams of tar and .8 milligrams of nicotine. Others would be taxed at higher rates, with a rate of $15 per thousand imposed on cigarettes with more than 30 milligrams of tar or 1.6 milligrams of nicotine. The Roswell Park figures show that 18 brands would fall in this category, as would most of the 100 millimeter cigarettes—new since the Roswell Park study was released. This legislation would speed the development of low tar, low nicotine cigarettes, and enable the public to spot the more dangerous cigarettes by their higher prices.

We must also encourage research in other ways to make smoking less harmful—and your discussion can guide such a program. The questions are complex. They range from the possibility of using different portions of the tobacco leaf in the cigarette, to developing different ways to deliver the smoke into the consumer's system. We need your guidance on all of them.

Fifth, since this is an international conference, I urge the delegates from other nations to ask us whether we are right in what we do about cigarettes in your countries. For our Department of Agriculture still spends over $200,000 a year to subsidize the overseas advertising of American cigarettes. And it still shows abroad a Hollywood produced promotional movie for U.S. tobacco, while other government agencies campaign against cigarette smoking here.

None of these are easy questions to answer; if they were, you would not be here today. Nor will the effort which you chart this week result in immediate success—this year or next. And the three bills which I shall introduce tomorrow may not be enacted right away. For the industry we seek to regulate is powerful and resourceful. Each new effort to regulate will bring new ways to evade, just as the television advertising ban in Britain brought forth an intensified coupon war to promote smoking.

Still, we must be equal to the task. For the stakes involved are nothing less than the lives and health of millions all over the world. But this is a battle which can be won—and with the commitment that is demonstrated by this conference; with the commitment that all of you show in being here and in your work at home—I know it is a battle which will be won.

SOCIAL SECURITY AMENDMENTS OF 1967—AMENDMENTS

AMENDMENTS NOS. 303 THROUGH 306

Mr. SMATHERS submitted four amendments, intended to be proposed by him, to the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENT NO. 309

Mr. SMATHERS submitted an amendment, intended to be proposed by him, to House bill 12080, supra, which was referred to the Committee on Finance and ordered to be printed.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1967—AMENDMENTS

AMENDMENT NO. 307

Mr. GRUENING. Mr. President, I introduce, for appropriate reference, an amendment to title VI of the Elementary and Secondary Education Act of 1965 to provide an annual minimum allotment of $100,000 to each State for the education of handicapped children.

The present distribution formula un-

der title VI is based solely on the relative number of children aged 3–21 in each State.

The result is that the smaller States of the Union—smaller in population—are barely able to mount even a basic program of special education.

For example, Alaska, which received a scant $20,000 under the program in fiscal year 1967, has only enough Federal funds to send consultants to local schools on an occasional basis. Only 37 emotionally disturbed children were helped in Alaska last year; more than 1,400 went unaided.

It is true that the larger States have many more handicapped children to educate. However, every State, whatever its size, has certain fixed costs, such as the salaries of a minimum number of special education specialists, which the present distribution formula does not even begin to meet.

Each State should be provided with enough Federal funds to reach at least a minimum number of handicapped children and help them become productive members of society. My amendment would do this by insuring a more equitable distribution of funds under title VI of the Elementary and Secondary Education Act of 1965.

At this point I ask unanimous consent to include in the record a State-by-State analysis of the effect of my amendment.

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

The amendment (No. 307) was referred to the Committee on Labor and Public Welfare.

The analysis, presented by Mr. GRUENING, is as follows:

ESTIMATED STATE ALLOTMENTS UNDER PUBLIC LAW 89–10, AS AMENDED, TITLE VI, EDUCATION OF HANDICAPPED CHILDREN, FISCAL YEAR 1968, BASED ON APPROPRIATION OF $20,000,000

	Proposed new formula	Present formula
United States and outlying areas	$20,000,000	$20,000,000
50 States and the District of Columbia	19,417,476	19,417,476
Alabama	383,100	393,727
Alaska	100,000	27,416
Arizona	150,789	154,971
Arkansas	199,816	205,359
California	1,608,557	1,653,175
Colorado	191,378	196,687
Connecticut	247,871	254,747
Delaware	100,000	47,999
Florida	493,943	507,645
Georgia	457,850	470,550
Hawaii	100,000	77,930
Idaho	100,000	80,660
Illinois	998,886	1,026,593
Indiana	499,961	513,829
Iowa	290,420	298,476
Kansas	227,214	233,516
Kentucky	342,138	351,628
Louisiana	382,963	393,586
Maine	103,296	106,161
Maryland	331,337	340,528
Massachusetts	502,695	517,666
Michigan	851,164	874,774
Minnesota	370,758	381,043
Mississippi	268,152	275,590
Missouri	430,580	442,524
Montana	100,000	77,429
Nebraska	145,892	149,939
Nevada	$100,000	$29,596
New Hampshire	100,000	64,083
New Jersey	581,547	597,679
New Mexico	117,999	121,272
New York	1,564,079	1,607,463
North Carolina	540,201	555,186
North Dakota	100,000	75,260
Ohio	1,019,708	1,047,994

ESTIMATED STATE ALLOTMENTS UNDER PUBLIC LAW 89–10, AS AMENDED, TITLE VI, EDUCATION OF HANDICAPPED CHILDREN, FISCAL YEAR 1968, BASED ON APPROPRIATION OF $20,000,000—Continued

	Proposed new formula	Present formula
50 States and the District of Columbia—Continued		
Oklahoma	246,163	252,991
Oregon	187,219	192,412
Pennsylvania	1,121,797	1,152,914
Rhode Island	100,000	88,047
South Carolina	301,113	309,465
South Dakota	100,000	78,312
Tennessee	397,542	408,569
Texas	1,072,706	1,102,461
Utah	111,109	114,191
Vermont	100,000	43,675
Virginia	442,985	455,273
Washington	303,234	311,646
West Virginia	210,711	216,556
Wisconsin	419,603	431,242
Wyoming	100,000	37,818
District of Columbia	100,000	69,224
American Samoa		
Canal Zone		
Guam	[1] 582,524	[1] 582,524
Puerto Rico		
Virgin Islands		

[1] 3 percent of the total amount for 50 States and the District of Columbia reserved for outlying areas, the balance distributed on the basis of 3–21 population, Apr. 1, 1960, with a minimum of $100,000.

VOCATIONAL REHABILITATION FACILITY CONSTRUCTION—AMENDMENT

AMENDMENT NO. 308

Mr. TYDINGS. Mr. President, among the many services which are vital for handicapped persons, none is more important than vocational rehabilitation. The pride and sense of self-reliance, which constructive employment brings, is a necessary part of rehabilitating handicapped persons. With support provided under a series of Federal laws, State and local governments have generally done an outstanding job in providing vocational rehabilitation facilities and services, and I believe these programs should be continued and expanded.

One aspect of the present Federal programs for vocational rehabilitation unfortunately impedes needed expansion. Of the funds made available for vocational rehabilitation, a disproportionately small sum is provided for construction of new facilities. For fiscal year 1968, for example, the Senate-approved appropriations bill provides $287 million for vocational rehabilitation services, but only $4.85 million for construction of new facilities. The House version of this appropriations bill varies only slightly from these figures. Under a 1954 amendment, the Congress provided that funds appropriated for services could also be spent for expansion, remodeling, or alteration of existing buildings. But new construction of facilities remains excluded from these funds.

I believe that this rigid separation of funds available for services, including modernization of existing facilities, and for construction of new facilities is undesirable. In many States, vocational rehabilitation programs are badly hindered by the absence of facilities. It is of little assistance to those States, or to the handicapped persons living in them, to know that if the States had facilities they could obtain significant funds for services or even for remodeling the facilities. In my own State of Maryland, plans have been approved by the general assembly for construction of a comprehensive vocational rehabilitation center which, when completed, will offer a host of new opportunities for rehabilitation of the handicapped. The costs for constructing this center are estimated at $6 million. Since, at the most, only $4.5 million will be available in Federal funds in fiscal year 1968 for construction of facilities throughout the United States, it is obvious that Maryland cannot rely on any significant Federal assistance for this vital project. But the needed expansion of rehabilitation services will be impeded in Maryland because of the absence of facilities, even though Federal funds are available for services alone. In recent testimony before the Select Education Subcommittee of the House Committee on Education and Labor, the National Rehabilitation Association indicated that Maryland's dilemma is shared by a significant number of States.

If, however, a State were able to use for construction a portion of the funds which are now allocated to it for provision of services, I believe that significant advantages to the handicapped would result. I am not suggesting that funds for services in one State be diverted to provide for construction of facilities in another State. I am suggesting that each State be given some discretion so that it can use funds for construction which it is already entitled to receive under Federal programs for vocational rehabilitation services.

That is the purpose of the amendment to H.R. 8981, the Vocational Rehabilitation Amendments of 1967, which I am submitting today. This proposed amendment would permit a State to use for construction up to 10 percent of the funds to which it is now entitled for vocational rehabilitation services. This amendment would thus retain a desirable emphasis on the provision of services and guard against the possibility that excessive amounts would be spent for highly visible facility construction while inadequate attention is paid to provision of services within that facility. This amendment would, however, give necessary flexibility to States so that they could tailor expenditures for vocational rehabilitation more closely to their individual needs. I urge the Senate to take favorable action on this amendment.

I ask unanimous consent that the full text of the proposed amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 308) submitted by Mr. TYDINGS, is as follows:

On page 2, after line 22, insert the following:

"(c) Section 2 of such Act (29 U.S.C. 32) is further amended by adding after subsection (c) (as added by subsection (b)) the following new subsection:

"'(d) The Secretary is authorized to make during any fiscal year, beginning with the fiscal year which ends June 30, 1968, to any State grants, from the funds made available

for such year pursuant to section 1(b)(1), to assist in meeting the costs of new construction of public workshops and vocational rehabilitation facilities in such State, except that in no event shall the aggregate of such grants to any State during any fiscal year exceed 10 per centum of the allotment (as determined under subsection (a)) of such State for such year. A grant under this subsection shall be made to a State under this subsection only upon request of the State agency of such State, and any such grant to a State shall be regarded as coming from the allotment of such State (as determined under subsection (a)). The Federal share of the cost of any project with respect to which a grant is made under the preceding sentence shall be determined in accordance with the provisions of subsection (b).'"

A BILL TO PROVIDE UNIVERSAL EDUCATIONAL OPPORTUNITY AT THE POSTSECONDARY LEVEL—AMENDMENT

AMENDMENT NO. 310

Mr. YARBOROUGH. Mr. President, the fundamental principle of equal educational opportunity without regard to financial need has become axiomatic in the American society. Yet, while none would oppose the principle, neither have we formulated concrete proposals to achieve this avowed objective.

In attempts to satisfy the letter of the principle, without satisfying the spirit, we have taken tremendous strides forward in improving the educational opportunities of our citizens. We have developed numerous programs of scholarships, loans, grants, aid to institutions, work-study arrangements—yet we have been unwilling to make the ultimate commitment of resources that universal educational opportunity would require.

We might remember in the formative years of this Nation the U.S. Congress enacted a comprehensive system of institutions of higher education during a time when the very future of the Nation was insecure. Yet, the greatest physical asset of the country—the public lands—were pledged to insure that universal higher education would be available at low cost.

Again, at the end of World War II and Korea, this Nation took the daring action of committing billions of dollars to educating our veterans. The GI bills gave access to education to more people who used it more effectively in a concentrated period, than did any other program in the history of this country. After an 8-year fight, the Congress has again demonstrated its wisdom by passing the cold war GI bill to provide the same benefits to the veterans of the cold war, and only this year Congress has extended the coverage to include on-the-job, on-the-farm, and flight training.

Inherent in all of these programs is the principle that education is a national asset which provides tremendous returns if the adequate investment is made by society. The land-grant colleges have provided the facilities necessary for millions to go to college. The World War II and Korean GI bills have more than paid for themselves through additional taxes paid by the veterans earning higher incomes.

Education cannot be viewed as the ambition of an individual—education is the responsibility of society to its people, and opportunity must be assured without regard to the financial resources of the individual.

It disturbs me when a high-level advisory panel, called upon to review the financing of higher education, recommends that educational opportunity be given by asking the less affluent to sign a life-indenture in return for the privilege of educational opportunity. This is precisely what the recommended loan programs would do, as a student paid back a percentage of his income for 30 years after graduation. This act of desperation may be financially sound, but it aims at the lifeblood of educational opportunity.

Today I am introducing a bill in the form of an amendment to the Higher Education Act, S. 1126, which would declare as the intent of Congress that universal educational opportunity at the postsecondary level be made available through appropriate governmental assistance. My bill would direct the Secretary of Health, Education, and Welfare to make a study, with the assistance of a commission, to determine the alternative plans for providing universal educational opportunity. Congressman JAMES SCHEUER, of New York, is introducing a companion bill in the House.

This great Nation has the resources to make the substantial investment in universal educational opportunity that is demanded by the rigors of the world, for it is an investment in the young people of this Nation, who are our future. We cannot remain great by saddling our young people with a lifetime of indentured service through payment of a portion of their income. Efficiency demands that a comprehensive plan be developed to remove economic ability from educational opportunity, and the future of the Nation demands that it be done now.

I ask unanimous consent that the text of this amendment be printed at this point in the RECORD.

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

The amendment (No. 310) was referred to the Committee on Labor and Public Welfare, as follows:

On page 46, after line 23, insert the following:

"PART F—STATEMENT OF CONGRESSIONAL INTENT ON APPROPRIATE GOVERNMENTAL ASSISTANCE FOR UNIVERSAL EDUCATIONAL OPPORTUNITY AT THE POSTSECONDARY LEVEL; DIRECTIVE TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE TO SUBMIT A PLAN AND CONDUCT A STUDY

"SEC. 491. It is the intent of Congress that universal educational opportunity at the postsecondary level be made available through appropriate governmental assistance.

"SEC. 492. (a) The Secretary of Health, Education, and Welfare shall before August 1, 1968, submit to the Congress a plan, or alternative plans, for providing universal educational opportunity at the postsecondary level. A Commission shall be established by the Secretary to assist him in developing such a plan or plans. It shall be the responsibility of the Commission to conduct a study of alternative plans for providing financial assistance to postsecondary education. Such plans shall include, but not be limited to:

"(1) free universal educational opportunity at the postsecondary level made available through outright grants to students or to institutions on behalf of every enrolled student;

"(2) various systems of loans to students or to institutions on behalf of enrolled students;

"(3) the use of the income tax, such as through credits or deductions, and work-study or cooperative education systems;

"(4) existing programs of public and private financial assistance, including the cold war GI bill, and programs formerly in effect, including the World War II and Korean GI bills.

"(b) The study to be made by the Commission shall include, but not be limited to, such factors as—

"(1) the actual or projected cost-effectiveness of alternative plans;

"(2) the immediate and the longrun economic impact of alternative plans;

"(3) financial and social implications to individual students participating under alternative plans;

"(4) institutional implications for postsecondary education or training facilities under alternative plans.

"(c) Members of the Commission who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Commission or while otherwise engaged in the business of the Commission, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem (or, if higher, the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code), including traveltime, and while so serving on the business of the Commission away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"(d) The Secretary is authorized to furnish to the Commission such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Commission may require to carry out its functions.

"SEC. 493. All other agencies of the Federal Government shall, to the maximum extent feasible, cooperate with the Secretary and the Commission toward the end of assisting them in fulfilling their functions established under this part."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTION

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from South Carolina [Mr. HOLLINGS], I ask unanimous consent that, at the next printing of the bill (S. 1796) to impose quotas on the importation of certain textile articles, the name of the distinguished Senator from Pennsylvania [Mr. SCOTT] be added as a cosponsor.

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

Mr. BAKER. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from New Jersey [Mr. CASE] be added as a cosponsor of the resolution (S. Res. 155) relating to a stable peace in the Middle East.

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

Mr. BAKER. Mr. President, I ask

unanimous consent that, at its next printing, the name of the Senator from Kentucky [Mr. MORTON] be added as a cosponsor of the bill (S. 1637) relating to trial by jury of the issue of just compensation in TVA land condemnation cases.

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

Mr. BAKER. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Georgia [Mr. TALMADGE], and the Senator from South Carolina [Mr. THURMOND] be added as cosponsors of the bill (S. 2127) relating to emergency assistance to first processors of cotton.

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

ENROLLED BILLS SIGNED

The PRESIDING OFFICER announced that on today, September 12, 1967, the Vice President signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 906. An act for the relief of Luis Tapia Davila;

S. 1448. An act for the relief of Roy A. Parker; and

H.R. 9837. An act to amend the Legislative Branch Appropriation Act, 1959, as it relates to transportation expenses of Members of the House of Representatives, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 12, 1967, he presented to the President of the United States the following enrolled bills:

S. 906. An act for the relief of Luis Tapia Davila; and

S. 1448. An act for the relief of Roy A. Parker.

McGEORGE BUNDY'S CRITICISM OF SUBCOMMITTEE'S REPORT

Mr. CLARK. Mr. President, yesterday, during the transaction of morning business, the Senator from Wyoming [Mr. McGEE] inserted in the RECORD a most interesting communication which had appeared yesterday morning in the Washington Post, signed by Mr. McGeorge Bundy, criticizing the Senate Preparedness Subcommittee for the summary report which it issued during the recess. That report recommended unanimously wider air action against North Vietnam.

Senator McGEE, very much to his credit, endorsed the careful analysis of the Preparedness Subcommittee report contained in Mr. Bundy's communication, and indicated his agreement that Mr. Bundy had pretty well destroyed the argument of the subcommittee.

It would obviously be redundant for me to introduce again today Mr. Bundy's communication, but I should like to express my strong approval of much of what he said and my disapproval of a part of what he said.

Mr. Bundy makes it clear that the Preparedness Subcommittee appealed first not to evidence but to authority. They set a group of generals and admirals up against Secretary McNamara, and they take the position that the generals and admirals are right, and that Secretary McNamara is wrong merely because the generals are military men or professionals and Secretary McNamara is a civilian.

As Mr. Bundy points out, the subcommittee does not demonstrate the military value of the course it urges; it takes it on faith merely because some generals and admirals think this is what we should do, and Secretary McNamara disagrees.

Mr. Bundy further points out that in reaching its conclusions and recommendations the subcommittee ignores all political and diplomatic considerations, and all risks of a wider confrontation; that these military considerations are of the highest importance and the matter should be decided not by generals and admirals in the Armed Forces but by civilians charged with the political direction of our country. In this regard I think Mr. Bundy is clearly correct.

Third, he points out while the subcommittee gives lip service to the principle of civilian control, in effect, it denies that principle and turns us over to the unrestricted judgment of generals and admirals who, to my way of thinking, are running the war in Vietnam and, quite frankly, not running it quite well in terms of results.

Finally, Mr. Bundy points out that the Senators on the subcommittee are moving onto dangerous ground when they suggest that the course chosen by the administration has increased the cost of the war in American lives. He reiterates what we all know: that the President yields to no one in the depth of his feeling for those whose lives are at risk in Vietnam.

He points out there is no evidence whatever, but merely the bald assertions of the generals and admirals, that the restricted character of the war, if it can still be called restricted, is costing American lives. In fact, whatever evidence there is, is to the contrary because the constantly accelerated bombing is costing more lives every day. In these four respects I think Mr. Bundy is correct.

Now, a word about my disagreement with him.

Mr. Bundy is of the view that because there is no hard evidence that a cessation of the bombing of the north would lead us promptly to the negotiating table, we should not consider that alternative. I point out that we are dealing with a question of calculated risk. It is perfectly true there is no hard evidence that Hanoi would be prepared to accept a truce or that the Vietcong would be prepared to accept a truce if we were to unconditionally terminate the bombing of the north. Yet, every knowledgeable student of this problem who is not a member of the State Department, or the Department of Defense, or a general or admiral, is of the view that there will be no end to the war in Vietnam until we stop the bombing of the north. They base it on what they know from the views of Hanoi, what they know about the views of the Soviet Union and Communist China, what they know about the views of the leaders of the National Liberation Front.

I am prepared to take their judgment and suggest that as a matter of calculated risk we should immediately and unconditionally stop the bombing of North Vietnam. I believe this is a condition precedent to any meaningful negotiations looking toward a truce and eventual cessation of hostilities, and the working out of a just and lasting peace. In this regard I believe Mr. Bundy is dead wrong, which does not, however, detract at all from the commendations I would give him for the four points he made in criticism of the Preparedness Subcommittee.

I yield the floor.

THE JOHNSON ADMINISTRATION FOCUS ON THE WORLD

Mr. McGEE. Mr. President, with the press and American opinion seemingly preoccupied with the war and recent elections in Vietnam, there is a tendency to overlook the very significant accomplishments of President Johnson's foreign policy in other parts of the world.

Vietnam is indeed a critical area for our Nation. Our military and economic policies are bearing fruit there. In South Vietnam, we have just witnessed the striking climax of a long and patient effort by the United States to help constitutional democracy emerge.

But Vietnam, critical as it is, is not the whole world. Vietnam cannot and should not be used as the sole yardstick to measure the success of the total Johnson foreign policy.

In recent months, the Johnson administration has achieved economic and political success after success in dealing with world problems. I believe it is time to put these achievements in perspective for the American people.

THE RACE FOR NUCLEAR CONTROLS

On August 24, the United States and the Soviet Union jointly presented a draft nonproliferation treaty to the 18-member nation Disarmament Committee in Geneva, in a joint effort to stop the dangerous spread of nuclear weapons.

This was a milestone in the Johnson administration's continuing efforts to hold down the threat of nuclear holocaust. It was the successful conclusion of a year's intensive negotiations with the Soviet Union and our allies.

This draft treaty brings within our grasp one of the most important arms control measures yet achieved in our lifetime—its success, thus far, must be counted as a milestone in Johnson foreign policy achievements.

FREER WORLD TRADE AND U.S. PROSPERITY

After more than 4 years of unremitting effort, the Johnson administration brought to a successful conclusion the Kennedy round of tariff talks which will reduce tariffs on world trade worth about $40 billion a year.

Concessions made by our major trading partners will offer greatly increased opportunities for American products abroad.

Nearly $870 million in U.S. agricultural

goods, for example, will be favorably affected by tariff concessions made on such products as soybeans, tobacco, poultry, and fruit.

During the last weeks of the negotiations, President Johnson kept in close contact with his negotiators, and personally guided them in some of the critical decisions which spelled international approval.

Not only was this a tremendous economic success for the United States, but it enhanced our international reputation as a nation which sticks to its commitments.

Our commitment was and has been freer trade and the reciprocal reduction of tariffs.

The success of the Kennedy round was a spectacular Johnson achievement on the world scene, and will enhance world trade for years to come.

TOWARD AN INTERNATIONAL MONEY SYSTEM

The recent agreement in London on the creation of special drawing rights through the International Monetary Fund, is one of the most significant steps in international money affairs in more than 20 years.

As the driving force behind these negotiations, the United States has now stimulated the development of a truly modern international money system; a system which can keep pace with the increasing demands of rapidly increasing international trade.

This was another quiet but solid economic and diplomatic plus for the Johnson administration.

These highlights of international achievement are, in my opinion, sufficient to establish the lasting worth of President Johnson's foreign policies.

Yet, there is a strong personal element in the President's foreign policy which receives too little attention, and whose benefits are felt in many, many positive ways.

Week after week, month after month, year after year, President Johnson has brought one national leader after another to Washington for personal talks—at the White House or in other congenial surroundings. The results have been immensely productive in cementing bonds between us and our allies.

The most recent and immensely successful visits were those of Chancellor Kiesinger of Germany and the Shah of Iran.

Going back a full year, we can count the official visits of such leaders as President Shazar of Israel, Prime Minister Pearson of Canada, President Marcos of the Philippines, President Senghor of Senegal, Prime Minister Souvanna Phouma of Laos, Prime Minister Holt of Australia, King Bhumibol of Thailand, Prime Minister Rahman of Malaysia, King Hassan of Morocco, President Diaz Ordaz of Mexico, President Sunay of Turkey, and many others.

A listing of the official and informal visits by heads of state and prime ministers with President Johnson during the last year, is a record of heroic effort in personal diplomacy.

Who is to say that the personal diplomacy of leaders meeting as equals in a relaxed and informal atmosphere in Washington is not equally as important as world conferences and international treaties?

If we can take our eyes and minds off of Vietnam for a brief time, evaluate the across-the-broad positive effects of the President's policies as they relate us to the whole world, our candid conclusion must be that the United States stands strong and high in the international arena today.

We are meeting our international military commitments.

We are pursuing peace through every forum.

We have pledged our resources for world economic development.

We have made the world a little safer through the recent United States-Soviet summit talks.

We have brought the world family closer together, politically, economically, and diplomatically.

This is a record of success. It reflects the effective initiatives and leadership of the President.

PRESIDENT JOHNSON AND EQUAL RIGHTS—A RECORD FOR ALL AMERICANS

Mr. PROXMIRE. Mr. President, on August 30, the U.S. Senate made history.

By an overwhelming vote it confirmed Thurgood Marshall as the first Negro American to take his place as Associate Justice of the Supreme Court.

That historic vote reflected credit on the nominee, on the Senate, and on the man who placed Justice Marshall's name in nomination—President Lyndon B. Johnson.

The nomination of the first Negro Supreme Court Justice was not an isolated civil rights act by President Johnson.

It was another graphic illustration of the forward-looking human rights and equal opportunity policies which President Johnson has pursued with vigor and commitment since his first days in the Presidency.

Neither external wars, nor internal civil disorders, nor political attacks should be allowed to obscure the established fact that human rights and human opportunity programs for minority groups have moved further and more successfully under Lyndon B. Johnson than under any President since Abraham Lincoln.

Some say that the time of civil rights had arrived in 1964; that it was a certainty that a comprehensive civil rights act would be enacted.

Yet, the Civil Rights Act of 1964 would not have become law if President Johnson had not given his unswerving public and private commitment to it.

We must not forget or downgrade the dramatic results which this act has had in halting discrimination in publicly supported programs, in increasing employment opportunity for minorities, in strengthening the Government's hand in pursuing the desegregation of educational facilities.

And the record goes far beyond that.

For too many years, voting privileges protected by the 14th and 15th amendments to the Constitution were observed only in the breach for Negro citizens.

But it was President Johnson and many of his supporters in this Congress who in 1965 made the right to vote a reality for all Americans. More than 600,000 Negroes in the South have already joined the voting rolls for the first time since passage of the Voting Rights Act of 1965.

For too many years the Nation watched as the gap between the affluent and the poor grew in America.

We watched as the central cities deteriorated; as urban education declined; and along with it, housing, job opportunity, health, and other public services.

We found ourselves faced with two Americas—one affluent and mostly white; one poor and mostly Negro.

We talked about opportunity. We planned. But national action came only when the Johnson administration declared a national war on poverty—a war against the poverty of hopelessness, against the poverty of joblessness, against the miseries and indignities of being a minority and not having enough money to participate in this great and prosperous society of ours.

We have not licked poverty today. Everyone is not a member of the middle-class. Everyone does not have two cars or a house in the suburbs.

But in 4 short years, the war against poverty—the Johnson war against poverty—has moved a million people—many of them Negroes and other minorities—out of dependence to self-sufficiency.

Hundreds of thousands of men and women have been trained in new skills.

Millions of schoolchildren use new books, have additional teachers, receive added academic and vocational stimulation through funds voted for the Johnson Elementary and Secondary Education Act.

Millions of older people—many of them minorities—have been freed from the financial tyranny of ill health because of the Johnson medicare program.

Long before the recent riots and disturbances, this administration sent to the Congress the programs known as model cities and rent supplements.

There were those who said—at that time and later—that this was too much for Government to invest in urban areas. And the programs were cut; rent supplements was left a bleeding casualty; and model cities became a shadow of itself.

But just a few weeks ago, the Senate Appropriations Committee—true to its statesmanship and vision—saw fit to do the right thing for the cities. It restored the entire rent supplement appropriations. It voted $537 million for the Nation's model cities program. It did this because it knew the President was right, and because it knew that recent riots were a symbol of how badly our cities need comprehensive Federal aid and assistance.

Looking back on the great Johnson record in human rights and human opportunity, some are tempted to ask: Can we do more? Must we do more? And the answer is yes.

We must now make equal opportunity in housing a national policy and not just a national slogan by passing the President's open housing bill.

We must insure the protection of civil rights workers—not agitators—fighting to protect the freedom and opportunity we all cherish.

We must strengthen the enforcement capabilities of the Equal Employment Opportunity Commission.

We must pass measures which make juries more representative of the citizenry in whose name they speak for justice.

And we must approve by large margins the Magna Carta for urban America now before us.

Any Senator who has shared in the passage of the programs I have enumerated, should be proud that when he was called to act, he did act.

The Johnson record on civil rights, on equal opportunity, on helping those who can least help themselves on rebuilding our cities, is a record any leader should be proud to stand on, run on, and to ask the American people to support with their vote.

No rewriting of history; no riots or disturbances; no military commitment abroad; no amount of partisan sniping can alter the fact that Lyndon Johnson, of Texas is the foremost human rights President of this century.

I am proud to be a member of his party and count myself as one of his troops ready to do battle for human dignity, for economic opportunity, and for that first-class American citizenship we all revere.

CAUSES OF POLLUTION IN NORTH BRANCH OF POTOMAC RIVER

Mr. JACKSON. Mr. President, I read with interest the editorial entitled "Potomac Cleanup," published in the Washington Post of September 1. The editorial commented on a report by Mr. Ellery R. Fosdick on the causes of pollution in the north branch of the Potomac River.

The Committee on Interior and Insular Affairs, of which I am the chairman, is familiar with Mr. Fosdick's qualifications. He has ably served the committee for several years as a consultant on water matters. I hope that his suggestions toward restoring clean waters to the Potomac will bear fruit.

I am also hopeful of progress toward a Potomac Valley Park.

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:

POTOMAC CLEANUP

The causes of pollution in the North Branch of the Potomac River in Maryland, Pennsylvania and West Virginia are brought into sharp focus in a report by Ellery R. Fosdick, consulting engineer, for the National Parks Association. Mr. Fosdick found the North Branch fouled by acid mine drainage, effluent from Westernport and two large industrial plants and inadequately treated sewage from Cumberland and many other communities. The techniques for rescuing the stream from its poisons are well known, but little has been done because people have supposed that the cheapest way to dispose of their filth was to dump it into the river.

"The water and beds in some of these streams," Mr. Fosdick reports, "are discolored, and no fish can live in them, and they are unfit for recreation and water supply." A pulp mill and paper plant add suspended solids to the water and various chemicals which give the effluent its reddish-brown color. Most of the cities and towns on the North Branch provide little or no treatment for their sewage before dumping it into the river or one of its branches. Cumberland and Keyser (West Virginia) are the only cities in the North Branch drainage basin that have acquired even primary sewage treatment facilities.

Fortunately, some first steps toward cleaning up the North Branch are being taken. The three states involved have submitted to the Interior Department water quality standards. If these do not satisfy the requirements of the Water Quality Act, the Secretary will fix his own standards. Communities on the North Branch will have to provide sewage treatment facilities. Operators of mines will doubtless be required to control acid mine drainage. Mr. Fosdick concludes that the substantial cost of re-covering abandoned strip mines and sealing abandoned underground mines have to be borne by the Federal Government and the states. He also reports that construction of the proposed Bloomington reservoir is not essential for the dilution of polluted water and that the funds could be better spent to keep acid mine drainage out of the North Branch.

This thoughtful study calls for action on many fronts. It is a national disgrace that any part of the Potomac should be so fouled as to be unfit for human use and enjoyment. We have had long decades of neglect and intensified pollution. Now it is time not only to arrest the process but also to move in with vigor to undo the damage that has been wrought.

THE VIETNAM ELECTIONS

Mr. JACKSON. Mr. President, many critics who saw fit to criticize the conduct of the recent Vietnam elections—before the elections were even held—are now trying to recoup their own credibility with the public by dismissing the elections as meaningless.

As Columnist Roscoe Drummond noted recently:

You can imagine what the critics of United States policy would be writing if only 38 percent of the eligible voters had gone to the polls instead of a massive 83 percent; or what they would be writing if even one of the 22-man United States observer team had called the voting fraudulent or if the people of South Vietnam had repudiated General Thieu and General Ky.

I think we can all be heartened by the general fairness and responsibility with which the election was handled under the very difficult circumstances of the ongoing struggle to resist the aggression from the north.

In this connection, I ask unanimous consent to have printed in the RECORD Mr. Drummond's observations on the Vietnam election.

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

[From the Christian Science Monitor, Sept. 11, 1967]

VIETNAM-FORWARD MOTION

(By Roscoe Drummond)

WASHINGTON.—Critics of the United States policy in Vietnam, most of whom predicted that elections would never take place, are now dismissing them as meaningless.

A striking example of this is the column written by Tom Wicker, Washington bureau chief of the New York Times, the day after the voting. His thesis is that nothing important had happened and that on balance, "It is hard to know how many steps have been taken forward and how many backward."

You can imagine what the critics of United States policy would be writing if only 38 per cent of the eligible voters had gone to the polls instead of a massive 83 percent; or what they would be writing if even one of the 22-man United States observer team had called the voting fraudulent or if the people of South Vietnam had repudiated General Thieu and General Ky.

GAINS FROM ELECTIONS

The fact is that South Vietnam in orderly, honest, and free elections has taken a long step toward nationhood and its outlook is visibly improved.

No objective person will suggest that the successful elections mean that the future is assured or that the newly elected government will do everything well, or that the Viet Cong will quickly accept the verdict and stop fighting.

But the gains which stem from the elections, in which a 22 percent higher ratio of the voters went to the polls in Vietnam at the height of the war than voted for president in the United States in 1964, are many and significant:

1—South Vietnam now has a government of its own choosing and will be ruled by a popularly elected president and parliament.

2—It now has a legitimate government which can speak authoritatively for the South Vietnamese people and which is in a position to earn the loyalty and confidence of the nation.

3—With 11 candidates in the field, General Thieu won by a substantial plurality; he received more than twice as many votes as his nearest competitor and nearly as many votes as the next three leading contenders combined.

OVERWHELMING UNITY

4—Contrary to some headlines, the voting demonstrated the overwhelming unity of the South Vietnamese toward saving their nation from being overrun by North Vietnam and the Viet Cong. The tendency of some commentators is to concentrate on the 17 percent of the vote which went to the most far-out advocate of peace-at-almost-any-price. He was Truong Dinh Dzu. Since every other presidential candidate supported the continuance of the war until freedom is assured, this suggests that 83 percent opposed peace-at-any-price. I would call that a decisive popular verdict to put freedom ahead of capitulation.

5—The new government should be able to conduct the war more effectively since the elected officials can devote themselves to running the government, leaving the military less encumbered with political duties.

6—The possibility of settlement by negotiation is improved. There are two reasons. The popular strength of the new government, which now has a sturdy base, shows that the Viet Cong are not fighting against a clique but against the overwhelming will of the South Vietnamese people. The VC may be persuaded that the Saigon government is here to stay and conclude that it cannot be overthrown by force.

Second, President-Elect Thieu can now offer to negotiate with Hanoi and the VC from strength and will undoubtedly do so in the near future. He will have the support of the United States in such an offer and then the decision will be Hanoi's—whether to make peace or continue the fighting in the hope that the United States will weary and withdraw.

MEANINGFUL ELECTION

Was the election really fair? The observer-team said yes, that the precautions against fraud were even more thorough than in the United States. But Sen. Robert Kennedy said before the elections that he would prefer to

rely on the judgment of the American correspondents on the spot. Here is their verdict:

"A pool of 12 reporters from American newspapers, who had studied the voting throughout the country, concluded that the election had been conducted honestly."

The Vietnam elections were not meaningless; they were meaningful.

IMPERSONAL, COMPUTERIZED TAX COLLECTION

Mr. LONG of Missouri. Mr. President, we get more and more, newer and newer gadgets all the time, but how many of them add one iota to human happiness?

One of the newest gadgets of which the U.S. Government seems to be proudest is its automated, computerized tax-collecting machine.

Somewhere in West Virginia is a monster computer that is attempting—and I stress "attempting"—to digest the Federal tax problems of 200 million Americans. According to the Commissioner of Internal Revenue, it is the greatest innovation since sliced bread.

I wonder.

In the first place, the monster computer appears to make an incredible number of errors; and once they are made, it seems incapable of correcting these errors.

Second, have you ever tried corresponding with an IBM machine? It cannot be done.

Last, but not least, Mr. President, have you ever tried to decipher one of the computer print-outs that IRS sends to all of us? If we knew every section of the Internal Revenue Code by heart, have an engineering degree from MIT, have spent 4 years in the Army decoding section, we might have a chance.

To illustrate the human side of this inhuman machine, I ask unanimous consent to have printed in the RECORD a letter to the editor of the Portland, Maine, Press Herald.

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

PENSIONER COMPLAINS OF IRS HARASSMENT

EDITOR OF THE PRESS HERALD: The Constitution on which our country is founded promises that all men are free and equal and entitled to the pursuit of happiness. Today we may ask what freedom, what happiness? We are living under a dictatorship as cruel as any in history.

Here is one small example: The writer is 78 years of age, seriously ill, and barely existing on a small pension to which she contributed during her working years. At the proper time and with a real effort she filed an income tax report. No comment having been received from Internal Revenue, she assumed the report was accepted. Then several months later, like a bolt from the blue, came a bill on an IBM form billing her for a ridiculous amount of tax plus interest, with payment demanded within 20 days. Imagine the shock.

This bill was returned to Internal Revenue with an explanation that no exemptions had been credited. There was no reply to this. A second time a bill came with more interest added. Again the writer asked that correction be made. No reply. When the third bill came the matter was taken to a lawyer who filed an amended report.

Now comes a blast from Augusta headquarters threatening to put a lien on any and all property. That means the little home which was to provide shelter for the reclining years. This amounts to persecution.

Again we ask "what freedom, what happiness?"

What rights have poor slobs like us?

We want to know.

MARY S. SPEAR.

Friendship.

Mr. LONG of Missouri. Mr. President, regardless of the merits or demerits of this particular case, I do know that there must be some better way to deal with American taxpayers than the current, de-personalized, implacable computer system being devised by the Internal Revenue Service.

It may make work for the tax collectors a bit easier, but it surely is hard on 200 million Americans.

THE WAR ON POVERTY

Mr. GRIFFIN. Mr. President, I ask unanimous consent that individual views which I have submitted for inclusion in the report of the Committee on Labor and Public Welfare on S. 1545 be printed at this point in the RECORD.

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

INDIVIDUAL VIEWS OF SENATOR ROBERT P. GRIFFIN

While I voted to report the bill, S. 1545, I believe Title II should be stricken and referred back to the Committee for appropriate hearings and study. In addition, I am convinced that several of the programs authorized by this legislation would operate more effectively if certain amendments were adopted on the floor.

A. JOB CORPS

It is gratifying to note that some of the criticisms directed at this part finally have been recognized, and revisions are being made. This bill tightens the administration of the Job Corps program, provides specifically for urban skill centers, and improves the machinery for follow up and job placement.

I believe that the Job Corps should be administered by the Office of Education instead of the Office of Economic Opportunity. Such a transfer would help to eliminate areas of overlap between Job Corps and other vocational education programs being conducted by the Department of Health, Education and Welfare.

It is worth noting that, at present, the bulk of the Job Corps training effort is in its 28 urban centers; and that 20 of those centers—more than 70 percent of the total—are run by private enterprise, under contract with OEO. A study made for the Subcommittee on Employment, Manpower, and Poverty as a part of its 1967 review of the war on poverty indicates that private enterprise is generally doing a better job than non-profit organizations in operating centers and training enrollees. The record would seem to justify an expansion of the practice of contracting with private firms for the operation of Job Corps centers.

I also believe that more involvement by the States would be desirable. The mandatory language of section 114 of the pending bill is a move in that direction. As consultant Sar A. Levitan has pointed out (Levitan, "Can the War on Poverty Rise Above Partisan Politics," daily *Cong. Rec.*, Aug. 8, 1967, A4024 and A4025):

"The Job Corps has not sufficiently utilized the educational and vocational capabilities of states. It could have avoided a great many problems if state agencies had been drawn into the administration of centers

"The data developed by the Job Corps indicate that some conservation centers in particular do a poor educational job. The situation may be corrected by turning these centers over to the state educational agencies. . . ."

Section 108(b) of the pending bill expressly authorizes the use of local educational agencies, vocational institutions and technical institutes. This provision contains significant potential for re-establishing a more appropriate Federal-local balance.

In 1964, as a member of the House of Representatives, I joined in minority views when the original Economic Opportunity Act of 1964 was reported by the House Committee on Education and Labor. In those views, Dr. Urie Bronfenbrenner, a distinguished psychologist and professor of the Departments of Psychology and of Child Development and Family Relationships of Cornell University, was quoted as follows (H. Rept. No. 1458, 88th Cong. 2d Sess., 71):

"Unless the young person is trained in a job which his home community can use, unless he has learned patterns of social and civic behavior which are appropriate to that community, and unless that community is prepared to accept him in a new and more positive role, the young person will return only to be pushed back into the part in which he was formerly cast—the social misfit."

We added, "The neeed is to equip these young people to cope with their community: the need is not to equip them to commune with nature."

During the past three years painful experience has indicated the validity of that point. Clearly, community coordination is essential to a program designed to enable youths to join the community.

B. TITLE I–B

The 1967 amendments would place Title I–B under a "prime sponsor" which, in most instances, would be the Community Action Agency established under Title II. The CAA is "encouraged" to use public and private organizations as delegate agencies, to include the poor in planning, in the conduct and administration of programs, and also to provide maximum employment and training opportunities for such persons. The original Title I–B was the "Neighborhood Youth Corps," limited to persons in the 9th to 12th grades. As revised, the Part combines a series of work and training programs for persons age 16 and over and an array of other enumerated "special programs" oriented to the employment of persons of all ages. It adds a program for areas of concentrated unemployment and a private employer incentive program. The CAA is directed to provide systematic planning and linkage (in section 121(c)).

I am concerned that the task of coordination, as well as the administration of such a conglomeration and proliferation of purposes, participants and special activities, will overwhelm the administrative capacities of CAA's; some of them have not distinguished themselves in the past as models of administrative efficiency.

In the 1964 minority views, discussing the Neighborhood Youth Corps, we warned (H. Rept. No. 1458, 73):

"As with the 'Job Corps' proposal, the contribution, if any, that this program will make toward equipping young people for employment is highly questionable. Having recently approved a vocational work-study program for youth in this age group, and having expanded the Manpower Act to assist the same individuals, Congress should place its reliance upon these established Federal activities rather than embarking upon new, costly, ill-considered efforts which would only compete with and confuse the existing programs."

Unfortunately, subsequent events have borne out the accuracy of that warning. A

Subcommittee publication entitled "Emergency Employment Act—Background Information" states (Mangum, "The Need for an Employment Guarantee," 131):

"NYC [Neighborhood Youth Corps] and Job Corps graduates face the same job markets after leaving the programs that they faced before, one-half of the public assistance recipients who enter work experience and training program return to public assistance when they leave it."

A private survey recently revealed that only 38.2 percent of out-of-school NYC enrollees return to school, receive additional training or are employed after completing the program. ("Youth and the War on Poverty," prepared for the Chamber of Commerce of the United States, 29.)

Indeed, as it is operated, the prime function of the NYC may be merely that of an "aging vat" to tide teenagers over until they are able to apply for "real" jobs. While this limited function may have some merit, the NYC experience could be far more meaningful if the NYC program measured up to its initial purpose—to enable participants to attend school or to help them "develop their maximum occupational potential." (Section 112 of the Economic Opportunity Act of 1964.)

The in-school Title I–B program was designed as an educational training and income maintenance program. In my view, this educational program should be transferred to the Office of Education and administered in coordination with other work-study programs. Such a transfer would help preserve the original purpose of the section, reduce overlapping and duplicitous efforts, and would assure that contracts with school systems would be made through the Office of Education.

In addition, I believe that the out-of-school Title I–B program should be transferred to, and administered by, the Department of Labor. That Department would then be in a position to bring these programs into closer coordination with other job training programs—programs which are more closely related to the needs of the job market.

The isolation of Youth Corps programs from "real" jobs could well explain the difficulty experienced in some cities in recruiting enrollees. Understandably, eligible youths see little future in devoting themselves to morale-deflating, make-work projects. As the Subcommittee's publication points out (Mangum, 131 at 133):

"The assumption that the out-of-school, out-of-work youth is eager for steady, low-wage, low prestige job clashes with experience."

The committee added $10 million to the Title I–B authorization for pilot projects in which OEO would provide incentives for the private employment of "hard core" unemployables. The employees would work for private employers, who would be expected to provide useful training and supportive services. Under this amendment, employees would receive not less than the federal minimum wage; and OEO could pay the employer any difference between a worker's real worth and his wage rate, as well as other costs, such as the expenses of counseling, recruiting and transportation.

I have long advocated measures to encourage private industry to train and employ marginal workers, but I am concerned that the approach adopted for the first time in this bill contains pitfalls. I am pleased that the program wisely has been advanced as a pilot project only, so that potential problems may be explored and satisfactory limitations and guidelines may be developed if necessary.

Along with a number of other Members of Congress, I have sponsored a bill entitled the Human Investment Act, which seeks to provide a tax credit for private employers who hire and train the hard-core unemployed. I believe this approach would be preferable.

C. COMMUNITY ACTION

The 1966 requirement that from 5 percent to 10 percent of community action funds be channeled to local groups outside the Community Action Agency has been deleted. In its place the pending bill provides (in section 220(c)) that the Director "may and is encouraged to" assist agencies other than the CAA to carry out component programs. However, the new language qualifies the Director's authority by prescribing that he may act only "after soliciting and considering comments of the community action agency."

The broadening of CAA control may serve to strengthen city-wide coordination; however, in some instances it could also result in the curbing of individual local initiative. For example, if "city hall" controls the CAA, and if the poor mistrust "city hall," then the poor can be expected to mistrust the CAA. In such situations, there may be understandable hesitation on the part of the poor to participate to the "maximum feasible" extent in CAA-run programs. Yet, such participation is supposed to be a key element in the philosophy and purposes of the Act.

Accordingly, it is hoped that the Director will take appropriate advantage of the authority which is left in Section 220(c) to assist local groups outside the CAA where circumstances justify it.

OEO involvement with education

In my view, the OEO should not become intimately involved with ongoing educational programs. Those poverty programs which are essentially part of the educational process should be transferred to, and administered by, the Office of Education. I refer in particular to the following:

i. Title I–B Work-Training (in its education aspects).

ii. Headstart (and see below).

iii. Follow Through (and see below).

iv. Upward Bound.

The Headstart program, according to OEO Director Sargent Shriver, is OEO's "greatest single measurable success." The Job Corps has been vehemently attacked because of scandalously high costs and the misconduct of some enrollees. The Neighborhood Youth Corps has been criticized because of its failure to provide meaningful work and training instead of make-work, and Community Action programs have been under attack because of administrative floundering and politicking. On the other hand, Headstart, in most instances, has been the one shining light that has rallied public support for the poverty war. Many constituents have told me that they think the whole "war on poverty" program should be scrapped—except for Headstart.

Because of the recognized merit of Headstart, Republican members of the Committee proposed that $352 million of the funds to be authorized be earmarked specifically for Headstart. However, this proposal was rejected by majority members. I believe an amendment to accomplish this purpose should be adopted on the floor so that Headstart will not be forced to compete with other schemes and proposals for the administrative favor of OEO.

OEO is talking about spending $120 million in the coming year for its new "Follow Through" program. From all indications, such a sum vastly exceeds the amount needed for the number of programs which can be reasonably mobilized within the year. By now OEO should have learned the price of hasty overspending on new programs. We believe that a substantial portion of the excessive Follow Through funds should be redirected to Headstart.

Follow Through, a $120 million/$160 per child program, contains particularly disturbing implications respecting the established system of Federal-State-local relationships. The program focuses on Headstart children as they go on to kindergarten and the first three grades of elementary school. Thus, the program initiates the actual involvement of OEO in the educational process within the school system. Evidently the involvement contemplated is not limited to contacts with the State agency or local board. Instead, Follow Through envisions the actual conduct of in-school programs by CAA's or their delegate agencies.

What is the extent of the planned OEO involvement with the educational process in Follow Through? The language in the bill is ambiguous. Section 243(4) purports to prohibit general aid to education, but it adds, "other than for special health, welfare, remedial, and other non-curricular services designed to encourage successful participation in school"—whatever that may mean. Further doubts are cast upon the Section 243 disclaimer by Section 221, which describes Follow Through and other "special impact" programs. Section 221(b)(2) authorizes, as a part of the program, "comprehensive services. . . . as described in [the Headstart paragraph]," and that paragraph, detailing the preschool program, expressly cites "comprehensive health, nutritional, *education*, social, and other services." (Emphasis added.)

Section 222 requires the maximum employment of the poor in all component programs. Presumably, this requires the CAA to assure that a maximum number of poor persons are brought into the schools to work on Follow Through projects. Also, VISTA workers could be assigned to these programs. In my view, while involvement of the poor in other OEO programs is important, employment policies within the nation's schools should be left to appropriate school authorities.

Finally, Section 221(b)(2) describes Follow Through as "focused primarily upon children . . . who were previously enrolled in Headstart or similar programs." Accordingly, it appears that children who needed Headstart training but did not get it, for one reason or another, will generally be excluded from the benefits of Follow Through.

As now written, provisions of the bill authorizing the new Follow Through program are loosely worded and leave much to be desired. I believe the language should be revised and tightened.

The above-mentioned 1964 minority views in which I participated foresaw the danger of increasing OEO involvement in areas properly within the jurisdiction of other agencies. At that time, we predicted that (H. Rep. No. 1458, 70):

"This reliance on broad, undefined power [for OEO], with its companion reliance on direct Federal action at all levels of our society, represents a dangerous assault on the established system of State-Federal relationships, as well as upon the orderly administration of programs and policies already entrusted to established agencies of government."

Unfortunately, it is obvious that the assault continues, and jurisdictional overlap within the federal executive branch is increasing.

D. DAY CARE

A new Title V–B has been added to give express authority for establishment of day care projects so that low-income parents may engage in education, training or work.

In addition to making it possible for individual adults to improve or advance themselves, a well-run day-care center may have other desirable effects. For example, it can provide poor children with needed nutritional and social development benefits.

In the administration of the day care program it is hoped that there will not be a repeat of those notorious Headstart "poverty" programs under which 20 percent to 30 percent of the participants came from middle income families. Obviously, when

children from middle income families are recruited and allowed to take advantage of programs intended to help the poor, not only are the taxpayers cheated but, in some instances, needy children are deprived of opportunities which the act seeks to provide.

E. FUTURE OF OEO

A central issue underlying any discussion of the Poverty War, I believe, is the future of the Office of Economic Opportunity. I have recommended the transfer of Job Corps, the Neighborhood Youth Corps and certain Community Action programs to other Federal agencies. I advocate such transfers because I believe it is in the national interest to structure an antipoverty effort that will minimize—not maximize—the overlap, competition and duplication of efforts.

A basic myth surrounds the Office of Economic Opportunity: the myth that OEO neatly plans and organizes the nation's antipoverty effort. It does not. On paper, OEO is part of the Executive Office of the President. But, in fact, it enjoys no special status comparable, for example, to the Bureau of the Budget. Rather it has become just another operating agency, like HEW, the Department of Labor and other departments.

As a staff report to the Senate subcommittee observed (JLS, "Issues of Organization and Coordination," June 16, 1967, 2):

"(I)t was inevitable that its [OEO's] operating responsibilities would absorb virtually all of the energies of its leadership and that its Government-wide 'Chief of Staff' functions would suffer. As the consequence, a full-fledged headquarters for the war on poverty as a whole has not developed."

OEO is not fulfilling its primary role as leader, planner and coordinator of the poverty war because it is too busy with the myriad of details involved in operating the various poverty programs.

I do not suggest that OEO must be abolished. But I do believe it should be reorganized—if not administratively, then legislatively.

A reorganized and reoriented "Office of Economic Opportunity" could finally perform the most important function originally intended for it. In form OEO would be smaller, since it would be freed from day-to-day routine formalities and operational paper work. However, the service of OEO to the country should be far more significant than it is today. For the first time it could actually concentrate on becoming the planning and coordinating agency of the three-year-old War on Poverty.

F. EMERGENCY EMPLOYMENT ACT

Unrest in the cities of the Nation has reached grave proportions. The tremendous amalgam of social problems that gives rise to this unrest demands our most urgent attention. But this is a situation in which greater, not less, Congressional wisdom is imperative.

Title II, the so-called "Emergency Employment Act," is an unfortunate example of hasty, unsound Congressional reaction to the riots. It is as extravagant in its promise as it is vague in its operation.

The Committee has had no real opportunity to consider the proposal in depth.

The record contains no statement of the Administration's views regarding the merits of the program, its effect on the poverty war or on the budget.

How such a program would relate to ongoing job creation and training programs has not been explored.

Finally, consideration has not been given to more effective alternatives that are available, *e.g.*, the Human Investment Act proposal which would encourage private industry to hire and train the hard-core unemployed.

Instead of holding hearings, the Subcommittee released a booklet entitled "Emergency Employment Act—Background Materials." The booklet is supposed to establish the need for Title II. In fact, however, the material also emphasizes that superficial, short-term make-work programs do not solve long-term unemployment problems, and that efforts should be directed toward training and education.

As written, the title would constitute a virtual abdication of Congressional responsibility; it would delegate almost unlimited authority and discretion to the Secretary of Labor.

Before Congress approves an expenditure of nearly $3 billion, principally for make-work, no-future "public service" jobs, at least some time should be taken to consider whether that approach is the best of those available.

Unfortunately, weighing alternatives and developing major legislation takes a little time. Nevertheless, I believe it is time that should be taken. The Committee should conduct appropriate hearings on Title II.

DISTRICT OF COLUMBIA HEALTH OFFICIALS TO SEEK STRICTER X-RAY REGULATIONS

Mr. BARTLETT. Mr. President, on August 30 the Committee on Commerce completed 3 days of hearings on S. 2067, the Radiation Control for Health and Safety Act of 1967. The committee heard from a wide range of professional, governmental, and industry witnesses, and is now in the process of evaluating that testimony. Two things seem obvious at this point. One is that our inquiry must be continued, probably early in the second session of this Congress. The second is that we are dealing with a far-ranging and significant set of problems which demand the exercise of foresight and the formulation of an effective legislative remedy. I am confident that we are moving in that direction.

It is always true, however, that a hearing points up more problems than subsequent legislation can solve. One of the hearings's most valuable functions, therefore, is not merely to lay the foundation for legislation but also to increase public and professional awareness of certain problems and to prompt extra legislative attempts to rectify certain situations. This is obviously the case with regard to the testimony we heard regarding the employment of diagnostic medical and dental devices.

S. 2067 might prove to be a partial remedy in that it would authorize the setting of standards for new equipment. It might be amended to provide for the updating of old equipment or to improve existing programs of inspection and training. But a large measure of the responsibility for the protection of operators and patients will continue to rest with State and local governments, with professional societies, with equipment manufacturers, and with individual practitioners. Therefore, it is to be hoped that our hearings will contribute to a greater awareness in these sectors of potential radiation hazards and a greater concern for radiation safety.

One interesting example of local efforts to bring the use of X-ray equipment under more effective control was reported in the Washington Post of September 5. The story is encouraging in its portrayal of a vigorous local effort, but it is discouraging in its relating of the problems that must be met and the obstacles that are still to be overcome. In any case, it is instructive, and I ask unanimous consent that it be printed in the RECORD.

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

STRICTER MEDICAL X-RAY REGULATIONS ASKED

(By Stuart Auerbach)

District health officials, only partially successful in achieving voluntary compliance with their safety recommendations, have decided to seek strict regulations for medical X-ray machines.

Although most dentists complied with recommendations made by Health Department inspectors, Marshall S. Little, chief of the Radiological Health Division, said that individual physicians have been less willing to follow the advice of inspectors who are not doctors. The District Medical Society, however, has cooperated fully, he said.

Little, who began dealing with radiation as a radioisotope chemist with the World War II Manhattan Project that developed the atomic bomb, said some physicians and dentists have refused to allow inspections or follow-up visits.

Karl Z. Morgan of the Oak Ridge, Tenn., National Laboratory testified last week before the Senate Commerce Committee that between 3500 and 29,000 U.S. residents now living may die as a result of exposure to radiation.

Despite the possible dangers that his office has compiled during its three years of existence, Little emphasized that X-rays properly used, are both safe and important for the treatment and diagnosis of many diseases.

As examples of unsafe practices, Little cited these cases:

An X-ray machine placed next to a window overlooking a children's playground. "It can give a pretty high dose to that playground," Little said.

Fluoroscopes with radiation outputs so high that 5 minutes of treatment could give patients a case of radiation sickness.

New fluoroscopes purchased without shutters to focus the beam. Without shutters, the beam "splashes out," posing a hazard to the operator and exposing the patient to more radiation than he needs, Little said.

Failure to provide shielding for the operator of an X-ray machine. One physician who was told shielding was lacking refused to permit a follow-up visit.

"Some doctors say the inspections are a waste of time and taxpayers' money without compulsory regulations," said Little. "They are right in cases like this."

Little is working with an eight-member advisory committee of experts to draft the new regulation, which will be submitted to the District Commissioners along with data developed from inspections.

Safety limits will follow standards set by the National Bureau of Standards, Little said. He also will request regulations to require that new X-ray machines meet safety standards when purchased.

Dentists, Little said, have registered "a tremendous improvement since 1962 when the U.S. Public Health Service conducted a survey in Washington.

"Dental facilities in the District are probably superior to those in the rest of the country," he said.

POSTMASTER GENERAL LAWRENCE F. O'BRIEN

Mr. YOUNG of Ohio. Mr. President, on August 29 it was my privilege and great pleasure to introduce our Postmaster General, Hon. Lawrence F. O'Brien, to an audience of more than 1,100 Ohio citizens gathered in the ballroom of the Neil House, Columbus, Ohio,

at a fundraising dinner under the auspices of the Democratic Executive Committee of Ohio. Postmaster General O'Brien's address may be regarded as the opening speech in the campaign to carry Ohio for President Johnson and Vice President HUMPHREY in 1968.

Mr. President, Postmaster General O'Brien is one of the truly great Americans of our time—the strong right arm and confidant of President Lyndon Johnson as he was of the late beloved President John F. Kennedy. As special assistant to both Presidents, he helped to guide through the Congress some of the most significant social and economic legislation in the Nation's history. As Postmaster General of the United States his achievements have been equaled by no one since Benjamin Franklin in colonial times, the first Postmaster General of the Thirteen Original Colonies. He has done more to bring the operation of the Post Office Department out of the horse and buggy era into this fast-moving space age of change and challenge than any of his predecessors. Fortune magazine recently described Larry O'Brien as—

The best liked and most familiar Administration figure on Capitol Hill . . . A proud and competitive man . . . He came to the fray well-equipped, bringing the analytical mind and organizational skill that marked his previous electoral efforts . . . As Postmaster General, he is demonstrating not only unusual energy, but also a flair for modern management practices.

President Kennedy called him "the best election man in the business." And President Johnson describes him as "a wise counselor, gifted strategist, efficient manager, and warm humanitarian."

The Postmaster General made a truly magnificent address and time and again he was interrupted by resounding rounds of applause and at the conclusion of his speech he received a standing ovation from the audience.

Mr. President, I ask unanimous consent to embody in the RECORD the address made by Postmaster General Larry O'Brien.

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

ADDRESS BY POSTMASTER GENERAL LAWRENCE F. O'BRIEN AT A STATE DEMOCRATIC DINNER, COLUMBUS, OHIO, AUGUST 29, 1967

I have been listening intently to the previous speakers and I want you to know that I am happy to be here tonight at the start of the 1968 campaign. We are going to win in Ohio.

The President asked me to give you his greetings and to say that from here forward, the Democratic Party must go on the offensive—as you are doing here in Ohio—must spell out the issues, must place our record before our fellow Americans and urge them to compare it with the empty record of the Republican Party here in Ohio and in the nation.

As an old campaigner, it is great to be here with you tonight. Certainly, I know the President considers this meeting of great importance to the Democratic Party, to the people of Ohio and to the nation.

From the several references made by the other speakers, I am also pleased to note that the Ohio Democratic delegation in the Congress will be substantially increased next year.

During the last seven years we have seen in stark contrast the record of the Democratic Party and the empty record of the Republican Party.

The record of the Democratic Party was expressed in the greatest surge of progressive legislation in any seven year period in the history of this nation.

The 89th Congress alone produced more legislation designed to meet the overriding, too long neglected issues of the day than any Congress in our history.

Think about it for a moment:

Medicare . . . Nuclear Test Ban . . . Elementary and Secondary Education . . . Higher Education . . . Peace Corps . . . Alliance for Progress . . . The Department of Transportation, the Department of Housing and Urban Affairs . . . Minimum Wage . . . Voting Rights . . . Social Security increases . . . Veterans benefits . . . Truth in Packaging . . . Model Cities . . . Rent Supplements . . . Imaginative measures that increased our national income by over $260 billion, a fifty per cent increase in seven years, the greatest record of economic advance in our history.

That is the Democratic record!

During the last seven years, in fact, all of the New Frontier Programs of John Fitzgerald Kennedy and 85 per cent of the Democratic Platform of 1964 have been translated from hope and aspiration, into law and into solid accomplishments.

The record of the seven great Democratic years is clear.

And, the seven long years of Republican obstruction is, I believe, equally clear.

Our Democratic effort is to build. We know it and the people know it.

The opposition's record, their consistent record, is to delay, to denounce, to destroy—in Ohio or in the nation.

The Republican Party in power is important; the Republican Party out of power is the party of knee-jerk opposition.

And the irresponsibility of the Republican Party is not confined to frustrating measures needed at home. They strive to confuse the people about our response to aggression abroad.

Every day we hear of a new Republican policy toward Vietnam. One day a Republican spokesman seeks to bomb everything that moves in North Vietnam; the next day another spokesman says we are bombing too much.

It is our task to remind the American people, again and again, of the true nature of the President's policy in Vietnam. For in Vietnam, and throughout the world, the Democratic policy is one of seeking peace with honor, of assuring that we *solve* conflicts, not hide behind a temporary, patchwork truce. We will never back down on our commitment to prove that aggression does not pay, a commitment that has had much to do with holding the line in Laos, and in the Communist disaster in strategic Indonesia.

My friends, we seek peace; the President of the United States seeks peace. The Book of Matthew says, "Blessed are the peace makers." Nothing is said about peace lovers. Any time, any place, the President is ready, willing, able, and anxious to resolve this problem with honor.

Turning to domestic affairs, we see that the Republican Eyewash Committee recently tried to play partisan politics with the nation's urban and racial crisis.

The Republicans clearly seek to make crime pay—in political terms.

But when it comes to action, when it comes to supporting the President's initiative in the safe streets and crime control bill, the Republican Party shows its true colors: it takes action that would make this vitally needed legislation largely inoperative.

It is at this point that Republican and Democratic policies diverge sharply. It is truly a source of wonder how many Republicans think passing laws against riots will make them go away.

Actually, I am understating the case. For the record shows beyond a shadow of doubt that the Republican policy has been to frustrate, to oppose, to hinder every major effort by this Administration to remove the social combustibles on which riot and disaffection breed.

In contrast to Republican irresponsibility, opposition, blindness, and indifference, the Democratic program has been designed to meet the needs of all segments and sections of our country. The Democratic program recognizes that we have an unfinished agenda both in cities and suburbs, for the small businessman and the farmer, the student and the senior citizen.

No group, no race, no area has a monopoly on Democratic concern—because the Democratic Party and Democratic programs are designed for all the people.

We have been concerned about the plight of minorities *and* the needs of the majority, because we are the party that truly *represents* all of America.

Consider for a moment what seven years of Democratic leadership has meant to an American worker who lives in the suburbs; the man who pays his taxes, supports his church and community activities, hopes to send his children to college, seeks to take care of his aging parents, tries to save some money, and strives to pay off the mortgage.

Though no group has been neglected by our programs, we have failed in one area, we have neglected one task—we have failed to remind everyone equally of the enormous gains *all* have shared as a result of seven years of Democratic administrations. Let's look at some of these areas:

First. *Prosperity*. The suburban American, and all Americans, have a common stake in continued prosperity. When the Republican Administration was coming to an end, the nation was burdened by its third Republican recession. Our growth rate was the lowest in the free world—a mere 2.5 per cent. Since then we have entered the greatest boom in history.

Second. *Medical Care*. The American who lives in the suburbs is usually a highly responsible citizen. He pays his own way. Often in the past the cost of his parents' medical expenses, however, wiped him out or strapped him for years. Over Republican opposition—overwhelming opposition—the Democratic Party succeeded in getting legislation aimed at cleaning the tarnish of crushing medical bills from what should be the golden years.

Third. *Education*. The vast majority of Americans want their children to reach full potential through higher education. Because of Democratic programs and in spite of overwhelming Republican opposition, for the first time in our history, through the Higher Education Act of 1965, scholarships and loans and work opportunities and facilities, will be available for one million young Americans this year and every year who otherwise could not go to college.

Fourth. *Crime in our Streets*. Read what the Washington Post said about the President's Anti-Crime program and the Republican effort to sabotage it:

"If the Republicans are out to make crime and violence a campaign issue in 1968, they are going to have to do much better than they did in the House of Representatives on the Federal anti-crime bill. In one day of action on the floor, the Republicans teamed with States' rights Democrats to mangle that bill almost beyond belief. Instead of strengthening it, as Republican leaders are claiming, the House changed the bill in such a way that it can no longer be considered an effective instrument to help local police to fight crime in the streets."

And let me tell you that the Republican gutting of this legislation and other attempts—model cities, rent supplements,

teacher corps—is only temporary. We will lick them—we don't intend to let them get away with it!

My friends, these are some of the issues that directly affect the worker in the city, the man who lives nearby, the American whose numbers increase each year, and who is apt to leave old party loyalties behind when he moves to the suburbs.

If we don't get the message across, if we don't let these people know how much Democratic programs have helped them, then we will not have their votes—and we will *deserve* to lose them.

This is one of the great tasks that face us as Party leaders—everyone in this room—leaders of the Democratic Party, labor and the rest.

We have a great record.

We have a great program.

But leadership, accomplishment, and aspiration are simply *not* enough.

We must also inform and explain. And more important, we must organize, as you are doing here tonight, and we must organize ourselves to attack when necessary. Let's get off our duffs and stop being defensive.

We have many difficult months ahead of us. And, you know as well as I that the struggle here in Ohio is uphill all the way. The only prediction that I can make with certainty is that the Republican Party will continue to criticize, will continue to oppose.

And the Republican Party today seems to have a clear leader, the Governor of Michigan. You remember him well; he gave us the compact car. And he already has a campaign slogan: "Think small and shift for yourself."

But though I do not believe that the American people will turn the future of this nation over to the party with the empty record, we cannot merely sit back and rely on *our* record to win elections for Democrats.

The Republicans have a secret weapon. That weapon is nothing less than Democratic disunity and internal strife. In all candor, we simply cannot afford, and I don't believe the country can afford, the luxury of internal strife. Is there any Democrat in Ohio or this nation who is individually more important than the Democratic Party or its programs? I don't know of one. I can't think of one.

Our leaders are dedicated. They can and will march shoulder to shoulder in 1968.

I can tell you that Lyndon Johnson, Hubert Humphrey, Robert Kennedy and our other national leaders across this nation will stand together in 1968. But what about our leadership on the local level?

What I am asking of you is no less than the kind of cooperation that existed between John F. Kennedy and Lyndon B. Johnson.

You know that in the best American tradition these two men fought valiantly for the Democratic Presidential nomination. When the decision was made, neither man permitted the past to cloud his judgment. John F. Kennedy wanted the most able man he could find for his Vice President. That's why he picked Lyndon B. Johnson. He knew the problems we faced were too vast, the course of human life too uncertain to have anyone but the very best in the Vice President's chair and that was repeated in 1964.

My friends, the sense of mutual responsibility, the ability to forget past differences, certainly paid dividends for our country in those terrible days of November, 1963. The result was simply this: continuity of leadership and continuity in the constructive work of the Democratic Party.

That continuity began with cooperation in 1960. Let us restore and strengthen that spirit and we will again assure continuity in the great unfinished tasks that face all of us, that face our country.

In the final analysis, you—the Democratic leaders of this State and leaders in every State—must show the way to victory in 1968.

My friends, the decision is in your hands.

AMERICAN LEGION OPPOSED TO EAST-WEST TRADE

Mr. MUNDT. Mr. President, just prior to the Labor Day adjournment, I had the opportunity to address the Foreign Affairs Committee of the American Legion during their 49th Annual National Convention in Boston, Mass.

Of great concern to the members of this committee and, indeed, to all Legionnaires was the increasing tendency on the part of the present administration to neglect one aspect of our war in Vietnam. That aspect is the economic one. Over and over again I was asked the question by veterans in Boston: "Why does our Government continue to supply Communist nations with war materiel which are in turn shipped to the North Vietnamese? The United States did not follow this type of a policy when I served during a war."

I cannot supply that answer. The administration can, however; and I believe that they owe an explanation not only to the American Legion but also to all the people of the United States.

As an indication of the Legion's feeling on East-West trade, the national convention in Boston adopted a resolution which I ask unanimous consent to have printed in the RECORD.

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

[Adopted at the 49th Annual National Convention of the American Legion, Boston, Mass., Aug. 29, 30, 31, 1967]

RESOLUTION 20

Whereas, The American Legion consistently has opposed U.S. trade with communist countries; and

Whereas, communist countries today, led by the Soviet Union and its satellites, are providing the war materials needed by North Vietnam against South Vietnam (and many of the vessels with which the Soviet Union transports goods to North Vietnam are actually United States' "lend-lease" ships which the communists failed to return after World War II); and

Whereas, items of trade furnished such communist countries can be used either directly or indirectly against American forces in Vietnam; and

Whereas, The American Legion insists that this nation must do everything in its power to support its fighting men; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Boston, Massachusetts, August 29, 30, 31, 1967, That The American Legion:

(1) believes that continued trade, or assistance of any form to a communist country which is helping to supply North Vietnam and the Viet Cong is an affront to the American men who are called upon to perform combat duty in the defense of South Vietnam;

(2) urges the President and the Congress of the United States to prohibit further trade between this country and any communist country which is providing North Vietnam with assistance in any form that can increase the war-making potential of its forces, with the consequent killing and wounding of greater numbers of Americans;

(3) calls upon our Government to renew the issue of the "lend-lease" vessels which the United States failed to repossess from the Soviet Union following World War II, and to demand their return at this time inasmuch as they are being used to supply our enemy, North Vietnam, and be it

Further resolved, That The National Organization of The American Legion is authorized and directed to take all appropriate steps to implement this resolution including a petition campaign to make a more forciful presentation of our views and those of the American public generally, to the President of the United States and all other officials of the Federal Government who are responsible for United States trade policy.

VIETNAM SOLUTIONS

Mr. GRUENING. Mr. President, U.S. military involvement in an illegal, immoral, and aggressive war in Vietnam is steadily escalating to a point where a cataclysmic, thermonuclear world war looms ever closer.

For more than 3½ years I have steadily and consistently urged the administration to reverse its course of action in Vietnam.

As long ago as March 10, 1964, in a major speech on the floor of the Senate, I urged:

> This is a fight which is not our fight, into which we should not have gotten in the first place. The time to get out is now before the further loss of American lives. Let us get out of Vietnam on as good terms as possible—but let us get out.

A few weeks later, on April 28, 1964, I stated on the floor of the Senate that—

> We should bring the United Nations into the picture, arrange for a cease-fire, and work for a negotiated peace. I repeat my view that South Vietnam is not worth the life of an American boy.

Since that time—in speeches on the floor of the Senate and elsewhere—I have repeatedly urged that the United States get out of Vietnam.

I am pleased that the senior Senator from Oregon [Mr. MORSE] submitted Senate Concurrent Resolution 44 yesterday urging that the Vietnam crisis be put before the United Nations on an emergency basis. This is one possible way out of Vietnam.

There are other possible ways out of Vietnam.

Last week I joined with Newton Minow, former chairman of the Federal Communication Commission, and Lawrence S. Fanning, a widely known newspaperman, who now publishes the Anchorage Daily News, in sending the following joint telegram to President Johnson:

> DEAR MR. PRESIDENT: Mindful of your dedicated pursuit of peace and your pledge that the United States seeks only a stable, unfettered government in South Vietnam, we respectfully propose a tripartite program for your consideration at this moment in history.
>
> Immediately following Sunday's election in South Vietnam, we suggest that you electrify the world by announcing: (1) The immediate cessation of the United States bombing in Vietnam and a carefully programmed orderly withdrawal of United States' combat forces from South Vietnam; (2) The United States' intention to place the South Vietnam question before the United Nations leaving the pursuit of final peace terms to the appropriate agencies of that international organization; (3) The massive national resources which have been mobilized for the war in Vietnam will be redeployed for the war at home in the war on poverty, the war on crime, resources develop-

ment, pollution abatement and the numerous programs which were so brilliantly legislated under your leadership by the 89th Congress.

As you have said so eloquently: "If this domestic war is lost then every individual in America is threatened in his home, his job and his family." In your skilled hands such a program can spring to life, offering peace and hope and dignity to the deprived and the oppressed the world over.

While I have received an acknowledgment of the receipt of the telegram, there is no evidence that the recommendation will be heeded.

The news this morning of the escalation of the bombing of North Vietnam detracts from the reported efforts of the U.S. Ambassador to the United Nations, Hon. Arthur Goldberg, to seek the support of other members of the Security Council to obtain Security Council review of the war in Vietnam.

INADEQUATE ECONOMIC STATISTICS MAKE TAX HIKE DANGEROUS

Mr. PROXMIRE. Mr. President, a prime weakness of the proposal for a surtax is that it could hit at the wrong time.

It is most unlikely to be imposed before January 1 of next year if at all, and then if the Congress follows the President's prescription it would be for 2 years.

Forecasting for 3 or 4 months ahead has been reasonably accurate. For more than that the record is highly erratic.

Predictions that the next 2 years beginning January 1 will be booming and require increased taxes to take off the inflationary steam could be very wrong indeed. The tax could be a depressant, a promoter of unemployment, of business recession.

This morning's Wall Street Journal carries an excellent policy article analyzing the serious problem confronting the Congress because of the unreliability of forecasting.

I ask unanimous consent that it be printed in the RECORD at this point.

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

[From the Wall Street Journal, Sept. 12, 1967]

FOGGY FORECAST: TAX-RISE DEBATE PUTS SPOTLIGHT ON INACCURACY OF ECONOMIC STATISTICS—GOVERNMENT OFFICIALS CONCEDE FIGURES OFTEN MISS MARK, BUT REMEDIES ARE ELUSIVE—$33 BILLION GETS OVERLOOKED

(By Richard F. Janssen)

WASHINGTON.—"Consider for a moment that we can easily pinpoint a target on the moon, yet economists cannot forecast the state of our economy a few months ahead without the possibility of considerable error."

The speaker was Stanley S. Surrey, the Treasury's top tax-policy expert, addressing June graduates at Rensselaer Polytechnic Institute in Troy, N.Y. His words foreshadowed a problem that is now a source of growing concern—the widespread misgivings about the Government's ability to be really sure whether President Johnson's proposed income-tax boost will prove to be a mild economic tranquilizer of a dangerous depressant.

For despite the growing technical competence of computer-aided economic forecasters, responsible analysts in and out of the Johnson Administration find ample reason to be wary of the predictions that the economy will be heating up enough a few months hence to dictate a 10% surtax. So, too, do many of the lawmakers who must act on the tax proposal. Certainly Mr. Surrey and most leading economists do support a surtax, but some of the Administration's miscalculations both in forecasting the future and measuring the past have been monumental enough to cause a measure of caution now.

WIDE OF THE MARK

A few samples: The original Commerce Department forecast of 1966 gross national product fell short by $33 billion, roughly equal to overlooking the entire U.S. auto industry, of the economies of Sweden and Switzerland together. In late June this year, Gardner Ackley, the President's top economic adviser, dismissed as "outrageous" Congressional predictions that the budget deficit for the fiscal year begun in July would be anywhere near $30 billion; six weeks later President Johnson warned it could easily reach $29 billion. As for reports on the past, the Census Bureau recently admitted missing about one of every six young Negro males during its 1960 count; slum housing units were undercounted then by some 1.6 million units.

While statistical mishaps have often embarrassed the Government, the shortcomings exposed lately are a particularly sensitive matter in high places. For the Administration is now committed to "fine-tuning" tax and spending policies to prevent economic trouble. Compared with merely reacting to a bad situation already apparent, the much more ambitious new approach requires more solid data on the past as well as more refined methods of forecasting the future, officials say. But, a key Administration planner complains, "The trouble is that our intentions have become much more sophisticated than our statistical tools. . . . We're trying for a precision in policy that we can't match with our numbers."

Some legislators couldn't agree more. The failure to forecast accurately has "severely handicapped Congress," contends Democratic Sen. William Proxmire of Wisconsin, chairman of the Congressional Joint Economic Committee, who finds long-range predictions generally "very unreliable."

SENATOR JAVITS DEMURS

Such reservations are clearly shared by other influential lawmakers; their misgivings, along with the economy's disruption by the auto strike, spell considerable delay in acting on the tax boost. "All we have so far is a prediction that the third and fourth quarters are going to bust out all over," demurs New York's Republication Sen. Jacob K. Javits, who suggests it "may very well be worth" waiting until January to apply any tax increase.

More such skittishness may become evident today when the House Ways and Means Committee hears a string of eminent economists testify on the surtax. While scarcely any recognized economist asserts outright opposition to a surtax, some still harbor doubts about the amount, timing and absolute need; others appear to favor it more on "social" than on pure economic grounds, fearing that without higher revenue the Government would sharply retrench spending on domestic problems.

Ironically, the gravest doubts on the surtax center on the Government's ability to predict the impact of Federal fiscal operations on the economy, and not only because of the vagaries of the Vietnam war. Even assuming the most accurate and most honest of budget estimates, the format of the Federal budget is itself coming under increasing attack as inherently misleading. What's more, some note, the Administration case that the private sector of the economy is about to heat up too much rests largely on assumptions of inventory rebuilding, but inventory statistics are widely regarded as the least reliable of the Government's economic indicators.

How do the Government numbers so often go wrong? The reasons are legion, officials say, and the problems not always solvable. They range from clerical errors in feeding raw numbers into computers to slum-dwellers' tendency to flee when anyone resembling a government authority comes around the corner.

"NOT AN ANSWERING SERVICE"

Busy businessmen often don't take time to fill out all Federal questionnaires, either; in response to an important special survey on the effect of tight money on capital spending, one replied only that "this is a business, not an answering service." To prevent a paperwork rebellion by businessmen, many reports on retail sales, construction and the like are based on samples that may not prove typical; sometimes widely headlined upturns are inconspicuously revised into downturns a month or two later.

The current cause celebre among statistics-watchers, though, is the Treasury's admission in August that it had become apparent by then that in January the department had overestimated revenues for the fiscal year starting July 1 by $7 billion. (The actual outcome won't be known till next summer.) More than half the difference between the January and August expectations was simply due to a scaling-down of forecasts on how fast personal incomes and corporate profits would grow and lift tax collections; this revision is not particularly controversial, however.

The mysterious disappearance of the remaining $3 billion from the original estimate is causing more anguish among analysts because it raises doubts about a basic revenue-estimating method and shows how difficult it is to make any accurate forecasts. It involves the "marginal rate," which measures the extra tax dollars that are collected when an individual's income advances enough to push him into a higher tax-rate bracket.

This figure is tricky to forecast at any time, officials say, because the higher bracket doesn't apply to the full amount of a person's income, but only to the extra, or "marginal," amount above a certain sum. A single person whose annual taxable income is $12,000, for instance, is taxed at only a 14% rate on the first $500, but at a 32% rate on the amount between $10,000 and $12,000. And if his income advances to $13,000 the next year, that extra $1,000 will be taxed at a 36% rate.

To aid in forecasting each year's revenues, Treasury men try to arrive at a marginal rate intended to average out all these changes. And each year for the past three years, "We substantially underestimated it," admits Budget Director Charles L. Schultze; this outcome has usually permitted President Johnson to end up with bigger revenues and a smaller deficit than he proposes. After being only 10.8% for 1963, the marginal rate bounded to 14.3% in 1964 and to 17.2% in 1967; this trend prompted officials to assume in advance a 19.2% rate for 1966.

It was the assumed 1966 rate that they used last January in estimating revenues for the current fiscal year. This course was more cautious than assuming the rise would continue in fiscal 1967 but still meant a high enough figure to promise plump revenues. With spending going up substantially, "We wanted to show every dollar of revenue we could possibly scrape up," an insider recalls.

A COUPLE OF JOLTS

The first jolt came in April when officials could see income-tax refunds pouring out in much greater quantity then they had expected. Another jolt came in July when they had better data on personal income for calendar 1966 and budgeted receipts for the fiscal year just ended. The arithmetic showed that the marginal rate for 1966 turned out to be only 14.1% instead of the assumed

19.2%. As a compromise, officials cut back the estimate for this year to 15.5%, about halfway between the results in 1964 and 1965.

The marginal rate is clearly a critical clue to the size of the prospective budget deficit—and thus to the deficit's inflationary effect on the economy. "If somebody had told me in January" that the marginal rate had been set way too high, Treasury Secretary Fowler bristled at a White House briefing, he would have taken an "entirely different view" of fiscal policy needs.

But as important as it is, the accuracy of the new marginal rate figure for this fiscal year has yet to be proven. Asked if he has any reason to believe it is more correct than the abandoned figure, a well-placed official privately replies in one word: "No." Mr. Schultze himself suggests something of the sort, saying "we don't know yet" why the old assumption proved wrong, although "the Treasury has had a number of consultants in trying to figure out what happened."

Prospects for a clear view of this critical percentage still don't appear bright, analysts say, since the possible causes of confusion are exceedingly complex. The increase in taxable income last year might have been held below expectations, they suggest, by such factors as high interest rates and higher local property taxes; these outlays would prompt more people to take the trouble to itemize such deductions on their tax returns, shrinking their taxable income and thus the marginal rate of extra tax more than if they had simply stuck with the Treasury's standard deduction allowances.

THE CAPITAL GAINS FACTOR

Similarly, the marginal rate depends in part on the amount of income added by capital gains, only half of which are treated as taxable income. "Who can predict," laments one economist, "how many people are going to make how much money on the stock market next year?"

The spending side of the budget fails to serve Federal forecasters as a good guide to economic developments either, particularly in wartime, some critics charge. "We underestimate the effect when a military buildup begins and there's danger we'll act too late" to cushion the impact when peace permits a drop in defense spending, worries Murray Weidenbaum, a leading budget expert and economics chairman at Washington University in St. Louis.

Even the broad "national income accounts" budget usually preferred as a guide to economic impact is misleading. Mr. Weidenbaum complains; its shortcomings may help explain the Administration's delay in taking anti-inflationary action right after President Johnson's mid-1965 decision to escalate the Vietnam war. The problem, Mr. Weidenbaum says, is that the income accounts budget reflects revenue accruals rising quickly from the impact of extra military ordering on the economy but doesn't count the cash outlays for military goods until they're actually delivered—often 6 to 18 months after the new orders caused a pickup in jobs, production and incomes.

The Budget Reform Commission that President Johnson has at work on such problems is keenly aware of this flaw, insiders say. It will likely recommend a new budget format that, among other things, will partly plug this gap by showing the "progress payments" the Defense Department makes while work on contracts is under way.

A MISLEADING REPORT

A related problem, Mr. Weidenbaum asserts, is that the Commerce Department's monthly report on factory orders, shipments and inventories purports to single out the amounts due to defense work. "But it's misleading as all hell," he complains, because this category labeled "defense" also includes any civilian business done in the ordnance, aerospace and communications industries, such as the building of commercial airliners. But it omits, he adds, Pentagon purchasing of ships, uniforms, trucks and many other items. Commerce Department officials admit the problem exists, but aren't sure when they'll be able to correct it.

While the Government's figures on existing business inventories are faulted for various reasons, some analysts are much more concerned about the ability to forecast future accumulations. The key to how expansionary the economy will become, a high official asserts, "is what will happen to inventories from here on." He predicts that they'll soon start rising and that the buildup may lead to strong inflationary strains.

Outside analysts tend to agree but stress that the timing and magnitude of such a buildup can't be forecast with much confidence. The Council of Economic Advisers in early 1966 predicted that year's inventory accumulation would show a "fractional decline" from the unusually large 1965 amount; instead, businesses added $13.4 billion to their inventories last year, sharply above the $9.4 billion of 1965.

The latest surveys show the inventory situation is still uncertain despite Administration hopes of 1967 improvement. A Wall Street Journal survey recently found many businesses still struggling to work down their inventories, and a Commerce Department survey out today shows just as many manufacturers unhappy now about excessive inventories as three months before. Yet the department's report projects both a substantial rise in inventories and a better balance between sales and inventories for late this year.

Top Government planners, aware of the shakiness of many of their statistics, try to make allowances for inaccuracies and don't depend solely on numerical indicators. "Often it just comes down to getting a gut feeling about the economy," one Federal analyst confesses; help is sought also from soundings among business and labor leaders, press accounts and ceaseless checking of other economists' feelings.

"And don't forget," says a prominent private seer, "the Administration has a secret weapon—Arthur Okun." Mr. Okun, a member of the Council of Economic Advisers, often shows an "uncanny" ability to predict trends, others agree, even when statistics and the consensus may point in a contrary direction. The slight second-quarter upturn in profits this year was something he hinted would happen long before the total could be compiled; most observers were predicting another sharp slide.

SECRET RESULTS

While such "judgmental" forecasting continues, officials are striving to make their prophecies more precise by increasing use of "econometric model" methods. These involve cranking into computers complex mathematical equations based on how variables such as Government spending, for instance, have in the past touched off reactions in industrial production and consumer spending. The results of these computer runs aren't made public, though; George Jaszi, director of the Commerce Department's Office of Business Economics, explains that while officials know the results are "subject to large errors," the public might give them "more credence than they deserve."

The computers permit the Government to make vastly more sophisticated analyses of the past, too, but the many complex steps involved sometimes increase the chances for human error. "Every computer program has mistakes," says a Census Bureau expert, Arno Winard. "Sometimes they're caught before they're published and sometimes not until after," he adds. One erroneous computer program instruction caused the bureau to overstate the ranks of Americans classed as impoverished in 1965 by some 800,000 persons.

Confusion arises in the public mind, too, from the variety of statistics and forecasts issued by different Federal agencies. Newspapers on Jan. 3 last year carried the forecast of the Commerce Department's Business and Defense Services Administration that the 1966 gross national product would grow to $710 billion from about $672 billion in 1965, but before the month was out the Council of Economic Advisers was predicting a much bigger jump, to $722 billion; the 1965 figure had by then been scaled up to $675.6 billion.

Mostly because Vietnam spending rose much more sharply than the Government's economists had been led to believe, GNP for 1966 is most recently reckoned at $743.3 billion. And as a result of periodic longer-term revision that's done when precise income information eventually becomes available from the Internal Revenue Service, that 1965 total that once looked like $672 billion is now shown as $683.9 billion.

PRIVATE INDUSTRY EMBARKS ON MAJOR URANIUM HUNT

Mr. BENNETT. Mr. President, one of the major problems that will be facing our country in the not too far distant future will be the problem of sufficient uranium supplies to help meet the demand for both commercial and Atomic Energy Commission requirements.

By 1980 the United States could require more than four times present-day uranium production levels. To meet these requirements a tremendous expansion of exploration and development effort is necessary. I am pleased to report that much of it is already taking place.

Presently known domestic reserves of U^{308} which can be recovered at prices up to $8 per pound are estimated at about 140,000 tons. However commercial delivery requirements through 1980 are estimated to be about 250,000 tons. And this does not include the sales to the Atomic Energy Commission.

Some 35,000 to 40,000 tons of mining and milling production capability will be needed annually by 1980 if U.S. requirements are to be met from domestic sources. This would require a significant expansion of such capability.

Nuclear power reactors in operation, being built and announced, total more than 50,000 megawatts. The AEC's estimates of installed nuclear capacity in the United States have repeatedly proven to be understated. Thus, in 1962 AEC predicted 40,000 megawatts of installed capacity by 1980. Two years later this was increased to between 60,000 and 90,000 megawatts. Again in 1966, the estimate was upped to between 80,000 and 110,000 megawatts. Recently, the Commission again sharpened its pencil and predicted installed capacity by 1980 of between 120,000 and 170,000 megawatts. This, Mr. President, represents more than a 50-percent increase beyond the previous year's estimate.

These spiraling demands for uranium have sparked a tremendous increase in exploration and development work. The AEC now estimates that during the 4-year period 1967–70, about 54 million feet of drilling and costing $77 million will take place. This represents substantially more than double the AEC's 1966 estimate of drilling for the period July 1966 through December 1969.

The expected drilling to take place in

the 1967–70 period is roughly equal to the drilling that occurred during the entire decade of the 1950's, when the great uranium boom occurred.

Today we must look to private industry to carry out the vast bulk of the work to explore for and develop the uranium needed for our nuclear power economy. Judging from past experience, there is good reason to believe that private industry will rise to this great challenge. I am confident that it will and I am pleased that it will be given this opportunity.

However, it is in the national interest for the AEC to continue to support a modest uranium resource investigation effort which should not duplicate the activities of private firms or other government agencies. The Joint Committee on Atomic Energy has, therefore, recommended authorization of several hundred thousand dollars for this work during this fiscal year.

In this connection, I cannot emphasize enough the need for maintaining an adequate reserve in addition to meeting cumulative uranium delivery requirements. An 8-year reserve in 1980, needed to support continued expansion of required production, would be about 400,000 tons of U^{308}. Thus, during the next 13 years, production plus reserves would have to be about 650,000 tons of U^{308}, which will require new discoveries exceeding 500,000 tons.

In addition I should like to go on public record as urging the Atomic Energy Commission to continue to cooperate with private industry in identifying new requirements for uranium, and in assessing the overall supply and demand picture.

Knowledge concerning the quantities of uranium available and the cost of recovery are intimately related to the pace and scope of our country's program for developing more advanced reactors, and the AEC should evaluate and publicize current estimates of total uranium supplies. This involves compiling data supplied by private sources.

Also I feel that attention should be called to the need for the AEC to reevaluate its policies for supplying uranium to private industry from Government stockpiles.

The Atomic Energy Commission has announced a general policy of furnishing stockpiled uranium for commercial use in a way which will not damage the industry. However, additional details of this policy should be spelled out in light of rising demands for uranium. The AEC's uranium supply policies are also intimately related to the Commission's plans for enriching privately owned uranium in the Government's facilities. At present, the Commission will not enrich foreign uranium for domestic use.

The Commission will have to consider the possibility of removing this restriction at a date earlier than 1975—the date which the Commission had previously suggested. Any Commission proposal to remove the current restriction on enriching foreign uranium for domestic use would have to be resubmitted to the Joint Committee under the terms of the 1964 private ownership legislation.

Although nuclear power is assuming an even larger share of our energy supply picture I would like to call attention to the sharply increased demands for fossil fuel to satisfy electric utility needs. I have seen estimates that electric power demands by the year 2000 will require about a sevenfold increase over present generating capacity. Fossil fuel requirements are expected to increase very substantially to help meet these new demands.

There are still many uncertainties associated with the future price of uranium. As we all know, the domestic market price has risen significantly over the past 2 years. Among other things, the cost of equipment and mining practices need to comply with the new radiation safety regulations which will have to be factored into the price.

All in all, the uranium future appears to be quite bright provided private industry continues to obtain the incentives necessary to head down this long and costly exploration path on which it has already embarked. I am hopeful that it will produce the required results.

THE 10TH ANNIVERSARY OF INTERNATIONAL GEOPHYSICAL YEAR

Mr. KUCHEL. Mr. President, I wish to speak today in recognition of an occasion highly significant in the chronicle of human progress. Somewhat over 10 years ago, on July 1, 1957, the International Geophysical Year began. It represented an international effort of unprecedented scope in a systematic study of the earth and its environment. It brought together 30,000 scientists from more than 70 nations cooperating in the study of 11 fields of geophysics, as well as the two emerging areas of rocketry and artificial earth satellites.

The advent of the IGY has left an impact of great importance which transcends the many discoveries encountered during its existence. International cooperation which it brought about was an indispensable precedent, for example, to such landmark developments as the Antarctic and the space treaties.

The IGY is a shining example of the advance to be made through concerted international scientific endeavor. Such a historic discovery as the Van Allen radiation belts, actually a geographic feature of our own earth some 100 miles above its surface, was not an announced goal of the IGY. Rather, it was a logical discovery in the general area in which research was directed. This is an example of the continuing need to give wide scope to man's intellectual initiative and curiosity. I trust that the United States shall not lose sight of the fact that scientific inquiry, as now supported by the Federal Government through the National Aeronautics and Space Administration, is an important and continuing need if we are to carry on the advance of knowledge.

In the years 1955 through 1959, I supported the appropriations of funds for the IGY. Certainly, without the marked support given to the program by President Eisenhower, the project might never have gotten underway. The foresight of the Eisenhower administration can most assuredly be credited with many of the advances in international scientific cooperation which we enjoy today.

I particularly commend Dr. Joseph Kaplan, of the University of California at Los Angeles, whose unstinting efforts as Chairman of the U.S. Committee for the International Geophysical Year were greatly responsible for the very marked success of the IGY. I am proud to call this great fellow Californian my friend. Dr. Kaplan is now president of the International Union of Geodesy and Geophysics, which is continuing part of the work initiated by the IGY. His work continues. Mr. President, I ask unanimous consent that some of his recent writings be printed in the RECORD.

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

INTERNATIONAL UNION OF
GEODESY AND GEOPHYSICS,
June 28, 1967.

Hon. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

DEAR TOMMY: On July 1, 1957—ten years ago this coming Saturday—the International Geophysical Year began. Without the understanding support of the Congress and the strong backing of President Eisenhower, this program would never have gotten underway. As the Chairman, of the United States National Committee for the International Geophysical Year, I look back with great pride at the accomplishments of the IGY for the sciences of our environment, science and technology in general, the need for better understanding of science by the general public; science education and, most significant of all, for international cooperation in scientific research. Two of its most notable accomplishments were the initiation of serious research in space using space vehicles as the means of transporting men and instruments into space, and the development of an outstanding program of scientific research in the Antarctic, in which twelve nations participated and as a result of which there came the now famous Antarctic Treaty. The recently approved Space Treaty is in many ways also a direct consequence of the IGY. I hope that the International Council of Scientific Unions (ICSU) which sponsored the IGY on the international level, and to which our own National Academy of Sciences adheres on behalf of the United States, will receive this year's Nobel Prize in Peace for the contributions of the IGY toward peaceful cooperation in science.

Two of the most active U.S. participants in the IGY are no longer with us; one, Lloyd V. Berkner having passed away only a few weeks ago. The other notable participant in the IGY was the late Harry Wexler, Chief Scientist of the U.S. Weather Bureau and the leader of the U.S. IGY program in the Antarctic. Lloyd Berkner was a most significant figure both on the international and national levels of the IGY.

I am writing to you in the hope that you will note this tenth anniversary in the Senate, where we received so much help and understanding. I also hope that the Congress of the United States, noting the important role of this country in the IGY and in many of its successors, will endorse the nomination of the ICSU for the 1967 Nobel Prize in Peace.

Best regards,
Sincerely,

J. KAPLAN.

WATER, WEATHER, AND ISRAEL

(By J. Kaplan)

President Kennedy said that whoever solved the problems of water deserved two Nobel prizes—one for science, one for peace.

President Kennedy, in speaking to the United Nations General Assembly, proposed that nations cooperatively use artificial satellites in order to study and possibly control the motions of the earth's atmosphere. It was my good fortune to have first proposed an International Water Year in a speech at the Don Bosco High School Commencement on June 6, 1960. Out of this, through the initiative of American hydrologists and the International Union of Geodesy and Geophysics (IUGG) grew the International Hydrological Decade (IHD) UNESCO's great attack on the problems of water. The IUGG, through its International Association of Scientific Hydrology, is the principal scientific participant in the IHD.

President Kennedy's speech before the United Nations is bearing fruit. At the present time, the IUGG, acting for the International Council of Scientific Unions (ICSU) is directing the preparations for a Global Atmospheric Research Program, which is a cooperative enterprise involving principally IUGG and the World Meteorological Organization (WMO).

Both UNESCO and the WMO are United Nations entities, thus reaching every national member of the UN. This very effective cooperation between the IUGG and the two UN agencies, thus extends its scientific influence to nearly every sovereign nation in the world. I have been on the IUGG and ICSU Executive Committees during the entire period of development of these programs, because of my positions as Vice-President and later as President of the IUGG. I hope to continue my activities in these fields after my retirement from the IUGG presidency in October 1967.

I headed this short note with the title, "Water, Weather and Israel" for several reasons. Israel represents the hopes of many of the small countries which have attained sovereignty during the past few years. It has already made distinguished contributions to these two areas of geophysics on which man depends for his very survival. Yet, Israel has made only a very small beginning if it is to be in a position to help her African and Asian neighbors to become strong and independent nations. A recent visit to Tanzania, Kenya, Uganda and the Sudan convinced me that geophysics in general, and meteorology and hydrology in particular, can not only add to the economic welfare of these nations, but it can also inspire the development of these scientific programs all the way from the primary grades to the graduate schools. The early development of an Israel Institute of Geophysics is imperative and it might well consist of strong programs in weather, water, oceanography, etc., distributed over the several institutions of Israel, with the Hebrew University as the center. There is such a statewide Institute in the University of California with its center in Los Angeles at UCLA, and it is a very distinguished and successful organization. I had the honor of helping in its organization and acting as its first director.

With my long activity in the American Friends of the Hebrew University, on its Board of Governors, as well as in many other local, national and international Jewish activities, it was natural that my mind would be on Israel, while acting for all the nations which participated in the International Geophysical Year, or are members of the IUGG. The great challenges that face the ICSU and IUGG as a result of the development of the water, weather and other programs, have come on with a suddenness that added to the difficulties of meeting the challenges. As I retire from the Presidency of the IUGG, I am eager to continue to work on its programs emphasizing more than before the role of the developing nations and the way in which Israel and other small and highly developed countries can lead the way. By enabling small countries to help each other, the larger nations can contribute to the peace that President Kennedy must have had in his mind.

THE INTERNATIONAL UNION OF GEODESY AND GEOPHYSICS (IUGG) 1963–67

(By J. Kaplan, President, IUGG)

The approach of the next General Assembly of the IUGG, to be held in Switzerland, 25 September to 7 October, suggests that a brief review of IUGG activities since the last General Assembly may be of interest to those who so generously supported it. You may recall that this Assembly took place in Berkeley, August 19–31, 1963. I had the honor of receiving the presidency on the occasion. Your organization was one of the sponsors of the Assembly.

In preparation for the Berkeley Assembly I headed a finance committee which succeeded in raising nearly $400,000 from private and governmental sources. I pointed out to prospective contributors that the IUGG has been the principal participant in the International Geophysical Year (IGY), which pioneered space research and helped to alert the Nation to its responsibilities in the support of scientific and technological research and teaching.

The nearly four years of my presidency have been very fruitful ones. Considerable progress has been made in the carrying out of the Upper Mantle Project, designed to carry out international cooperative studies on the solid earth, involving forty-seven countries. The International Council of Scientific Unions (ICSU) has assigned to the IUGG the responsibility for a Committee on Atmospheric Sciences, which hopes to bring to fruition the dream of the late President John F. Kennedy, of the use of satellites for studies of the earth's weather processes. In these programs, the IUGG cooperates fully with UNESCO and the World Meteorological Organization, thereby establishing links between ICSU and all of the member Nations of the U.N.

The IUGG, at its General Assembly in Helsinki (1960), initiated what has now become the International Hydrological Decade, (IHD) a UNESCO–IUGG enterprise, designed to study the water resources of our planet. The scientific arm of the IHD is the International Association of Scientific Hydrology (IASH), one of the seven autonomous associations of the IUGG. This program has already had meaningful effects on graduate training in hydrology and on the water problems facing mankind. The significance of water for peace cannot be emphasized too often.

The IUGG has been conscious of the explosive character of geophysical research during the past ten years, and it has carefully examined its own structure in order to meet the challenge of the new geophysics. A Future Structure Committee of the Union met in Paris in January 1966 and its recommendations for changes in statutes and practices will be considered by an Extraordinary General Assembly, to be convened in Zürich, immediately before the General Assembly, September 1967.

Following the great successes of the IGY, the ICSU approved the carrying out of a similar program known as the International Years of the Quiet Sun members of its Special Committee were from the IUGG. The IQSY will hold its Assembly in London, July 1967, in order to report on the results of the IQSY.

Also, after the IGY resulted in geophysics entering a period of great development, the ICSU set up a series of scientific committees in areas, each of which had made quantum jumps during the IGY. In each of these committees, IUGG members played a very significant roles. These Committees are as follows:

Scientific Committee on Oceanic Research (SCOR) (1957).

Scientific Committee on Antarctic Research (SCAR) (1958).

Committee on Space Research (COSPAR) (1958).

Scientific Committee on Water Research (COWAR) (1964).

It also established or continued a host of inter-union commissions in most of which the IUGG plays a strong role. The IUGG has been concerned about the proliferation of committees which deal with geophysics and related fields, and it has attempted to lead in the consolidation of these committees and in opposing new committees where a Union could carry out the same functions.

Because of its great involvement in the work of the scientific and special committees of the ICSU, as well as in its inter-union and other committees, the IUGG has become increasingly influential in the affairs of the ICSU. The President and the very able Secretary-General of the IUGG, Professor G. D. Garland, have had the good fortune to have been advised and guided by a devoted Bureau and Executive Committee. This has enabled them to be quite effective during the period of ICSU's greatest growth.

It should be noted that the areas of interest of the IUGG and of the ICSU special and scientific committees which have been mentioned in this note, all have direct and strong influences on some of man's most serious and exciting problems. Continued private support of the activities of the IUGG, particularly in its symposia and general assemblies, will have real world-wide influence.

THE TROUBLES OF PRINCE SIHANOUK, OF CAMBODIA

Mr. McGEE. Mr. President, last week, during the adjournment of the Senate, Columnist Drew Pearson wrote about the troubles Cambodia's capricious Prince Sihanouk faces with Asian Communists, despite the aid and support he and his Government have given Peking and Hanoi. It is clear, as Pearson wrote, that Sihanouk is not the first Asian leader to find out that you can play with the Communists only under their rules. Mr. President, I ask unanimous consent that the column, which I have taken from the Wyoming Eagle for September 7, be printed in the RECORD.

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

PRINCE SIHANOUK FINDS HE CAN'T PLAY BALL WITH HANOI, PEKING

(By Drew Pearson's associate, Jack Anderson)

WASHINGTON.—Cambodia's capricious Prince Norodom Sihanouk, living next door to South Vietnam, has been of great aid to North Vietnam. He has let Communist supplies and troops pour across his border. In return, here is the story of how the rulers in Hanoi and Peking have repaid him.

It is hard to imagine what more Sihanouk could have done to please Hanoi and Peking. He parroted the Communist line calling the Americans "Imperialists" and other nasty names. He spurned American aid and even kicked the Americans out of his country with a great thumbing of his nose.

He opened Cambodia's borders to the Communist guerrillas but screamed shrilly if U.S. troops so much as set a GI boot across the line. He permitted the Communists to use his port of Phnom Penh to smuggle supplies down the Mekong River to the Viet Cong. He offered not only haven and hospitality, but food and medicine to guerrillas while they camped in his country.

All the while, he arranged guided tours

for outside observers to prove he was doing none of these things. But in a rueful statement from Phnom Penh, he has now come close to confessing that he has been playing a double game.

"We have given a great deal of aid to the Viet Minh (North Vietnamese troops) and Viet Cong (South Vietnamese guerrillas)," said Sihanouk. "The Americans are aware of the fact that we have aided them in the political and diplomatic fields. We have also given them aid in many other fields, which I cannot explain in detail. However, our Compatriots are already aware that we have given a good deal of aid to the Viet Minh and the Viet Cong."

SIHANOUK'S REWARD

What has been poor Sihanouk's reward? The Communists have taken advantage of the open door to infiltrate Cambodia against him. They have already started guerrilla action in the Hinterlands, attacking his provincial guard and massacring anti-Communist peasants.

In Phnom Penh, the Communists are tightening their hold on Sihanouk's government. They drove two anti-Communist ministers, Mau Say and Douc Rasy, out of the cabinet with charges of corruption. They also forced the resignation of Prime Minister Lon Nol.

This has brought plaintive protests from Sihanouk, who had supposed his pro-Communist posturing would buy him immunity from Red intrigue. The story is best told in his own words, which U.S. Intelligence has picked up.

"A number of Viet Minh and Viet Cong have infiltrated," the prince protested recently. "Thus, can we in point of fact be sure that our territory will be safe in the future if we turn Communist? . . . I must tell you now that the Vietnamese Communists and the Viet Cong negotiated with us three or four times but that absolutely nothing came out of the negotiations. They did not sign a pledge of respect for our present frontiers."

In another statement, the prince declared: "We only love Cambodia more than we love other countries, and we do not want to be lackeys of the Vietnamese, Chinese and Americans. This is our only fault.

"I am always very sincere and strict with the Americans. With the Americans we absolutely do not want a reconciliation, and we are very strict and severe with them. Yet the Viet Minh have repaid me by saying that Sihanouk has sold the nation to the Americans because Sihanouk is rotten and lackey of imperialism. Such an accusation is very unjust."

LESSONS TO OTHERS

The unhappy prince isn't the first Asian leader who thought he could play ball with the Communists. India's late Prime Minister Nehru tried to curry favor in Peking, and his successors still are more sympathetic to Hanoi than to Saigon. Nehru was repaid with a Red Chinese invasion in 1962.

Indonesia's ousted President Sukarno virtually became a Peking puppet. Confiscated evidence now shows that the Communists intended to reward him by taking over his government.

Prince Souvanna Phouma, trying to walk a neutral line in Laos, joined with the pro-Communist Pathet Lao in opposing the Americans. The Pathet Lao, bolstered by more than 20,000 North Vietnamese troops, merely stepped up its military drive to take over the country. Now the neutralist prince is cooperating wholeheartedly with the United States.

Few have tried harder than the Burmese to get along with their northern neighbors. To placate the communists. Gen. Ne Win eradicated U.S. influence in Burma. Today Burma is one of the chief targets of radio Peking and radio Hanoi.

Even tiny Nepal, which has been safe near the top of the Himalayas for centuries, has now been bitterly denounced for conspiring with "imperialists."

Armed Communist guerrillas are also active in most other Asian countries from Thailand to the Philippines. Yet astonishingly, the prevailing sentiment in Asia is more anti-American than anti-Communist. Even the Buddhists, whose co-religionists have been brutally tortured and dehumanized in Tibet, find themselves repeating Communist cliches.

THE STUBBORN PROBLEMS OF URBAN AREAS

Mr. FULBRIGHT. Mr. President, Mr. Harold Mack, of Carmel, Calif., recently wrote an article entitled "Our Doomed Cities," which was published in the Monterey Peninsula Herald of August 31, 1967. It is an interesting and provocative article concerning one of our most stubborn problems, the problem of what to do about the huge, sprawling urban areas which have grown up in our country.

I commend the article to the reading of Senators 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:

OUR DOOMED CITIES

(By Harold Mack)

The President has appointed a high Power Commission to investigate the causes behind the riots which have torn so many cities apart. Before anyone can correct the causes which still are a threat we must first understand what a city really is.

A city is not just a haphazard collection of buildings inhabited by crowds of people. A city is a living organism which grew from a small embryonic beginning into a living and breathing entirety.

It was not born from accidental causes but was born and grew because its location and its natural resources made it economically the place where industry could flourish and where resulting jobs could give to qualified people a chance to work at congenial tasks or embark in profitable business designed to cater to the needs of city dwellers.

Luxury shops, theaters, restaurants and night clubs all came into being, and with the continued existence of the economic factors which originally made the location desirable the city continued to grow and flourish.

Down through the ages many cities have been born, have grown and flourished and then died because the original conditions which made the location a favorable one no longer continued to exist. Take Ephesus on the coast of Asia Minor as an example—it once flourished as a magnificent city with commerce reaching all parts of the ancient world.

Today it only exists as a collection of beautiful marble ruins and sustained by visiting tourists. The reason why it died was because the Meander River which flowed along side carried silt which gradually built up marsh lands and filled up its fine harbour on the Mediterranean.

Gradually instead of it being a seaport it found itself separated from the Mediterranean by miles of this marsh which became a breeding place for malarial mosquitoes, and eventually completely destroying the once great city.

Before modern high speed inventions became commonplace, it was necessary for people to live in close proximity either for protection against enemies or in order to conduct their various businesses. The development and perfection of the telephone, the television, the radio, the automobile and the airplane all combine to make the conditions which engendered cities originally no longer a factor. Business executives and workers can now live at distances away from their offices or factories. Shopping centers catering to every need are springing up in the suburbs.

Decentralization has become the objective of industries of all types where workers can live in comfort and still be near their jobs. The typical city dweller uniquely engendered by city life is rapidly dying out. No longer are the wealthy and the well paid workers willing to live in smog infested areas, crowded and noisy and offering little to compensate for the growing inconveniences of city living. The fine restaurants are being replaced by frozen food processors. The opera and theatre are giving way to television and movies.

For the past twenty years millions of unskilled colored people have left the South to go North and live in the cities. Misled by cheap politicians, and false propaganda they found on arrival that there were no jobs for them and no decent places to live. The only homes they found, that they could afford, were the rundown buildings which were formerly occupied by the white job holders who now had moved to the suburbs or to the new locations where their factories or shops were located.

The colored people had no skills needed to fit into city life. They were primarily farm workers or unskilled laborers. These unfortunate people could not find jobs in the city and could not be left to starve so it became necessary for the city to support their many needy with welfare checks which must come out of the pockets of the successful.

This represents a constantly growing burden on the economic life of the city and a heavy tax on the business and industry in the metropolitan area. The tremendous costs involved of trying to support this heavy influx of unskilled people and the economic effect of this tax is to drive industry away from the cities leaving it increasingly difficult for the ghetto dwellers to find jobs to support themselves. Human beings can stand just so much and as a result have revolted against the intelerable conditions for which there is no real remedy.

A study of evolutionary processes shows how animals like the dinosaur became extinct because the conditions which allowed them to survive and flourish ceased to exist. The same evolutionary process applies to our cities. They are the dinosaurs of our present age and will die out as surely as their animal forebears did before them.

This great country of ours with its millions of square miles of land, most of which is empty, makes it no longer necessary for cities to be crowded into tiny areas such as they are today.

Narrow streets, tall skyscrapers, polluted air and the inability of the streets to carry traffic makes cities a ridiculous example of mans failure to utilize his brains and take advantage of the inventions he has created.

It's much like a man with a house equipped with plumbing carrying pure water to his kitchen, going with buckets every morning to a polluted well, miles distant to bring back his water supply.

The proposals to spend billions to improve the ghettos will not solve the problem of the survival of the cities. It may delay, but cannot change the basic conditions which make cities as we know them a relic of the horse and buggy age. These billions must be spent on the building and planning of new metropolitan areas designed to utilize modern inventions.

Cities must be decentralized. They must be relocated piece by piece into new areas where they can give to the people who must live by work of all kinds a chance to live their lives with pure air to breathe, parks and nature to enjoy, free from the crowding which makes for disease and crime, and where people with-

out the mechanical skills needed by modern industry can find useful employment in rural and farm life with all its rewarding aspects and which is needed to supplement the life of the industrial side of these new expanded centers.

All the remedies proposed are merely palliatives. They, none of them can cure the doomed cities which the modern inventions of rapid means of communication has now made these crowded centers no longer necessary.

The death of the cities is probably a long way off. It may take decades before they finally give up the ghost. Vested interests, their wealth dependent on the cities survival will continue to fight to keep their cities alive and prosperous, but the inexorable economic laws together with the human problems involved will ultimately win over man's efforts to breathe life into the decaying corpses.

Far-seeing statesmen, business executives and engineers will plan and build new centers of commerce and culture where the conditions more favorable for human development, both financially and culturally, will prevail.

They will sense the economic advantage to be obtained by sensible planning where modern inventions can save time and money, and where well planned communities can avoid the heavy tax burdens our present cities must carry.

You can't weigh down a contestant in a race with tons of metal for him to carry and leave his opponent light and free, and expect the weighted down one to win. The same thing applies to the heavily weighted cities, handicapped by their horse and buggy organization and expect them to compete with modern industrial centers built to take advantage of the modern inventions.

POLICE PARTNERS PROGRAM OF NEW ROCHELLE, N.Y.

Mr. KENNEDY of New York. Mr. President, I invite attention to the excellent program adopted by the city of New Rochelle during the summer in an effort to quell civil disturbance. At the first sign of unrest the city inaugurated a police partners program, employing offending youths as partners of policemen on beats in "trouble areas." The program was an immediate success and there was no further disturbance in New Rochelle.

Yesterday I received from Sargent Shriver, Director of the Office of Economic Opportunity, a study titled "OEO and the Riots—A Summary." The summary contains the results of a nationwide survey by the Office of Economic Opportunity of 32 cities which have had and 32 cities which have not had riots or civil disturbances this summer. Among the findings cited was that "not one police chief or mayor said OEO heightened tensions. On the contrary most mayors and police officials felt OEO summer programs had helped to prevent violence in their communities."

New Rochelle was one of the cities studied. In a letter accompanying the summary, Director Shriver wrote me:

In New Rochelle, the community action program was instrumental in the creation of a Police Partners Program in which 50 Negro men, ages 17 to 22, patrol the target areas six hours each night. Wearing badges and carrying the police identification cards, the youths break up large gatherings and generally keep things cool. Operating out of the CAP Office, the patrol is paid out of police funds and supervised by two CAP employees, an employe of the Human Rights Commission and two Negro patrolmen. Since the inception of the program more than a month ago, there have been no incidents of trouble in New Rochelle.

I wish to commend both the city of New Rochelle and the Office of Economic Opportunity for the success of this program. I also call the project to the attention of Senators who may represent cities where a program similar to New Rochelle's might alleviate unrest.

U.S. OBLIGATION TO UNITED NATIONS REQUIRES SENATE RATIFICATION OF HUMAN RIGHTS CONVENTIONS—PART CXXXIV

Mr. PROXMIRE. Mr. President, the United Nations was founded in San Francisco in 1945.

The first 22 years of the United Nations have produced neither the unqualified successes foreseen by its champions nor the international doom which some critics prophesied.

Like all humans and all human institutions the United Nations has proved to be imperfect in practice. The United Nations accomplishments, however, should provide each of us with real hope and restrained confidence; its shortcomings are hardly the cause for total despair.

In this very Chamber almost a half century ago the death knell was sounded for the League of Nations. The League—the spiritual ancestor of the U.N.—was sapped of its vitality and ultimate effectiveness through the refusal of the United States to join.

Although I disagree with the judgment of the majority of our predecessors on that vote, I must admire their candor and resolution. They met the issue squarely and voted on it.

Will this same Senate be the pallbearer for "that last best hope of mankind"—the United Nations? Will we, by our chronic apathy, offer the requiem for the U.N.—not with the forthrightness of a record vote, but rather by the cruel silence of indifference?

The choices available today are not between a total war of which we cannot conceive or the total peace which we cannot achieve. Our national choice—in a world fraught with grave perils and great possibilities—must be to fortify our institutions of peace and to dismantle the structures of hostility.

This Senate has before it five conventions on human rights. They are not confusing or complex documents. They deal with forced labor, slavery, freedom of association, the political rights of women, and genocide.

The Senate can and should take a major step right now toward endorsing the United Nations by ratifying these five conventions. The United States needs the United Nations and the United Nations needs the United States.

I see no better way for the Senate to affirm this support and this mutual dependence than by immediate ratification of the human rights conventions on genocide, forced labor, freedom of association, slavery, and political rights of women.

VOTER PREFERENCES FOR 1968

Mr. McINTYRE. Mr. President, New Hampshire boasts some of the most perceptive voters in the Nation. Indeed, two of our counties—Coos County and Strafford County—have voted with the winner in every presidential election since 1896.

Recently, a respected newspaper columnist, Mr. Charles Bartlett, journeyed to these two counties to test voter preferences for 1968. His findings will give Republicans little to smile about.

Mr. Bartlett found that President Johnson ran ahead of any of the possible Republican presidential contenders now being talked about.

The President bests Richard Nixon handily.

He runs far ahead of Ronald Reagan.

He easily defeats Governor Rockefeller.

He outdistances Senator PERCY and Governor Romney by impressive margins.

In sum, Mr. Bartlett declares:

The lesson to be drawn from the green valleys and busy towns of Coos and Strafford Counties is that President Johnson remains a formidable contender for re-election.

And the lesson to be drawn from this fact is that the Democratic Party has a great President and a great program to take to the American people in 1968—a vintage year for a great Democratic victory.

Mr. President, I ask unanimous consent that Mr. Bartlett's column be printed in the RECORD.

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

NEW HAMPSHIRE POLL POINTS TO L. B. J. VICTORY

(By Charles Bartlett)

DOVER, N.H.—The political focus of this state is upon Richard M. Nixon and Gov. George Romney, but two reliable weathervane counties portend that either Republican will be running uphill against Lyndon B. Johnson in 1968.

Coos County, on the Canadian border, and Strafford County, in the center of the state, enjoy the impressive record of having voted with the winner in every presidential election since 1896. A sampling of their voters indicates now that neither county will be tipped easily into the Republican column in 1968.

President Johnson emerges from a poll of 60 voters in the two counties (25 Democrats, 24 Republicans and 11 independents) as a leader whose political vulnerabilities are outweighed by the majority's lingering preference for the Democratic Party.

The President does not exert any deep personal hold on the New Hampshire voters. In fact, 15 of the 25 Democrats said they will vote for a Robert Kennedy slate of delegates if one is pitted against the Johnson slate in the March primary.

All but two voters described themselves as disturbed by the conditions which they find in the nation. Their displeasure is directed at inflation and taxes, the war and most emphatically at the upheavals in the cities. Even in small border towns remote from minority unrest, the sense of indignation at the Negro revolt is profound.

The voters are deeply split in their view of LBJ's handling of the Presidency. Slightly more than 50 per cent approve of him as President. "I'm a Johnson man. I don't care what they say," declared one Dover Democrat, but

many expressions of approbation were tempered by such qualifications as: "He's doing the best he can under the circumstances."

Despite all those handicaps and the fact that Nixon is a strong favorite among Republicans in the two New Hampshire counties, Mr. Johnson ran ahead of him in the poll by a count of 30 to 1. Seven said they could not vote for either man and four declared themselves undecided.

The preference for the President was even more emphatic in a match with Gov. Ronald Reagan. The count was 33 to 14 in LBJ's favor, with 13 undecided. Pitting Mr. Johnson against Gov. Nelson A. Rockefeller, the count was 33 to 17, with eight undecided and two who said they would vote for neither.

The fresher Republican faces fared better because many voters are reserving judgment in regard to them. Paired against Romney, the President ran ahead 24 to 18, with 18 undecided. Paired against Sen. Charles H. Percy (Ill.), the President won 25 to 14, with 21 undecided.

The implication of those tallies is that Nixon, Rockefeller and Reagan, all well known in this state, would have little chance in a race with the President because public opinions on them have crystallized. Republican hopes in these counties seem to rest on a possibility that a fresh candidate could capture the imagination of the majority.

That is not the mood of the Republicans who will vote in the March 12 presidential primary. By a majority of better than 2 to 1, they favor Nixon's nomination. Some rally to Romney as a man of principle, but most feel strongly that Nixon's experience entitles him to preference in 1968.

The outlook of those Republicans does not favor the prospect that Romney will be able to win them over the intense campaign being planned for him in New Hampshire. They are more responsive to the hard line which Nixon presumably will take on the war and race issues than to Romney's middle ground.

These two counties thus illustrate the quadrennial Republican dilemma. The man they like best is least likely to win. The affluence permeating the countryside is a cushion for the Democrats. The irritants which disgruntle the voters are not causing them personal discomfort.

The lesson to be drawn from the green valleys and busy towns of Coos and Strafford counties is that President Johnson remains a formidable contender for re-election.

PRESCRIPTION DRUGS

Mr. SCOTT. Mr. President, by request I ask unanimous consent to have printed in the RECORD a statement submitted to the Subcommittee on Monopoly of the Select Committee on Small Business by Dr. Alfred Gilman, chairman of the Department of Pharmacology of the Albert Einstein College of Yeshiva University.

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

ALBERT EINSTEIN COLLEGE OF MEDICINE, YESHIVA UNIVERSITY,
Bronx, N.Y., July 11, 1967.

Senator GAYLORD NELSON,
Chairman, Subcommittee on Monopoly, Senate Select Commitee on Small Business, Washington, D.C.

DEAR SENATOR NELSON: I wish to give you my views, as a pharmacologist, educator and co-editor of a well-known text, "The Pharmacological Basis of Therapeutics," concerning certain matters related to prescription drugs that have been discussed before your distinguished subcommittee. I offer my comments in letter form, because my present schedule will not permit me an opportunity to appear in Washington. I trust, however, that this letter can be made a part of your hearing record.

For purposes of further identification, I am attaching some biographical material to this letter. I might say here that in addition to my work on the text for which Doctor Louis S. Goodman and I are known, I am also Professor and Chairman of the Department of Pharmacology and Associate Dean for Graduate Education at the Albert Einstein College of Medicine of Yeshiva University.

Much has been said, before this subcommittee and in articles and newspaper reports, about so-called "generic equivalents." I am appalled by many of those statements which imply that generic drugs, marketed cheaply by small drug companies, are the equivalent of established trade-marked preparations merely because *chemical analysis* indicates that the preparation actually contains the specified amount of the drug. I am all in favor of open competition in the marketplace once the patent on a drug has expired. However, it should be true competition and not legalized piracy. Let me give you an example. A pharmaceutical company markets a drug after years of investigation. The pharmaceutical formulation receives careful consideration and research and it is finally decided to market the drug in capsule form. Data are submitted in the NDA with respect to onset of action, duration of therapeutic action, effectiveness, and when possible, the relationship of clinical response to blood levels. If the company now wishes to market the *identical drug* in tablet form, all studies mentioned above must be meticulously repeated and are carefully scrutinized. To my knowledge, such studies are not required for the marketing of a "generic equivalent" despite the fact that excipients, particle size, pressure exerted on the tablet and dozens of other quality control measures influence drug availability and activity. Therefore, I suggest that before the so-called "generic equivalent" can be marketed and can be described by the same package insert that applies to drug formulations that have been carefully studied, that laboratory and clinical data relating to absorption, peak effects, duration of action, etc. should be required. If the FDA considers this an irrational requirement, then the drug compendium should indicate that studies relating to the absorption, etc. of the particular package form of the drug have not been conducted.

I am heartened by the careful approach to this matter of therapeutic equivalency that is now being taken by the Department of Health, Education and Welfare. It appears to me that unsophisticated minds, many of them plainly not equipped by training and experience, have approached this problem precipitously, and have reached both premature and simplistic conclusions. I also note more and more instances in which the switching from brand name to generic preparations in large institutions has resulted in a marked change in therapeutic efficacy as evidenced by patient response.

It is my view, Mr. Chairman, that the present practice constitutes a kind of double standard as between originators of compounds and those who later market alleged "equivalents." I very strongly believe that there can properly be no such double standards for the determination of therapeutic efficacy. All producers, and certainly the generic houses, should be required to submit proof of the performance of their drugs in human patients before they are permitted to market them. Once that is required, and this double standard is eliminated, I believe many of the problems facing us will be reduced.

I have read Dr. Richard Burack's "Handbook of Prescription Drugs" and since the book has been given considerable attention by the subcommittee, I would like to offer my reactions to it.

In my opinion, Dr. Burack is attempting to make a case for the prescribing of generic drugs in a completely unobjective manner. He presents one side of the story, his own side, using highly selected data and ignores or dismisses in a cavalier fashion the important dangers and disadvantages of blind generic prescribing. In his attempts to present his case for generic prescribing, he has committed the same sin that he bitterly accuses drug companies of doing; namely, placing a document in the hands of the public that is bound to be most disturbing to physician-patient relationships in an attempt to achieve his objective.

Let me start my comments with the touching case of John Jones treated by John Doe, M.D. which begins the Foreword of the book and is prominently displayed on the back cover. Over twenty years, the parents of John Jones would have saved $1,275 if the prescription had been written for a generic preparation rather than one from a large and reliable pharmaceutical company which invests a large portion of its profits in research and development and the maintenance of a large medical staff. However, let us continue the hypothetical story of John Jones. Unfortunately, he developed a hypersensitivity to penicillin and, likewise, could not tolerate the sulfonamides. Since his disease was life-threatening, his physician placed him on erythromycin and the twenty-year prophylactic therapeutic regimen with erythromycin was completely successful. The cost to John Jones and his family was in excess of a generic penicillin preparation but the therapy may well have been life-saving. The availability of erythromycin was due to the fact that responsible pharmaceutical companies are engaged in intensive research programs fully aware of the fact that an overlap of available antibiotics is not only desirable but essential.

Dr. Burack's dismissal of the importance of drug research by pharmaceutical industry is beyond my comprehension. Apparently, he is of the opinion that once a patent expires on a drug, an ethical drug house can meet the generic price while still supporting large research programs to produce new drugs. I think the records will show that in many drug companies in recent years the outlay for research on new drugs has far exceeded the return on new drugs. I will discuss the threat to drug research below.

Dr. Burack also tends to denigrate a great deal of the value of pharmaceutical research and is rather derisive about molecule manipulators. In his characteristic fashion, he picks out the thiazide diuretics as resulting in little more than confusion on the part of the physician. He neglects areas where molecule manipulation has been of such importance that anyone now prescribing sulfanilamide or other of the earlier sulfonamides would be accused of malpractice since molecule manipulation has resulted in such superior drugs in this class. Furthermore, he neglects to emphasize that much more goes on in pharmaceutical industry than the mere manipulation of molecules and that tens of millions of dollars are being invested in basic research as well as applied research on new and unique drugs.

Dr. Burack takes the expected attitude toward the generic equivalent and indicates that anyone who has the proper ingredients and machinery can make a satisfactory tablet or capsule. He cites his own practice and the experience of his colleagues as evidence that generic drugs are every bit as good as brand-name drugs and their effects are just as predictable.

At one time I shared his opinion, but my experiences with pharmaceutical industry have greatly changed my mind. I have seen instances where slight changes in formulation have doubled the blood levels and halved the therapeutically effective dose of the drug. These were not clinical *impressions* but carefully designed and accurate *studies*. I am,

therefore, convinced that there is no such thing as a generic equivalent unless proven by adequate experimental data. In the case of certain drugs, this may not be of great importance; in others, it may be critical. I am sure that Dr. Burack in his practice, would not go blithely from one preparation of digoxin to another with the knowledge that a 50% variation in absorption could result in serious, if not fatal, reactions. In his academic environment he probably relies on the careful purchasing practices of his own hospital pharmacy and the pharmacy committee.

In connection with generic equivalents, I am amazed at the dual standards of the FDA. Apparently, the FDA is satisfied with a few *in vitro* tests for the generics to meet their standard. However, if a large pharmaceutical company wishes to change a drug formulation, they have to perform extensive experiments on clinical efficacy. If these demands were placed on the so-called generic equivalents, and I have said publicly such demands should be placed upon them, then the price differential between generic and trademarked drugs whose patents have expired would be very much less. In fact, many generics would disappear. I was very pleased to read recently of the decision of the USPHS to support clinical investigations to determine the relative degree of clinical efficacy of limited groups of prefabricated medications. The results of this study will be of major interest.

Dr. Burack's attack on the AMA entitled "The Reference Book Gap and the Role of the AMA" is entirely unjustified and I think many of his statements relating to the Council's Seal of Approval and the reason it was abandoned are not accurate. I am certain that the AMA will defend themselves in this area. The statement on page 21 that their annual publication, "New Drugs, the successor to New and Non-official Remedies is an uncritical compilation of newly marketed agents which cannot be taken seriously as a guide to good prescribing practice" is ridiculous. As a teacher of pharmacology, I saw no change other than that of the title. Furthermore, the list of consultants for "New Drugs", in which capacity members of my staff have often acted, is not consistent with an uncritical compilation. It is most amusing that on page 109, Dr. Burack uses New Drugs as an authoritative source of information for his discussion of appetite depressants.

I think Dr. Burack's comments on the extent of drug promotion and the nature of drug promotion are somewhat less subject to criticism. However, I take exception to many of his statements. I don't think that medical educators have been as remiss in the teaching of clinical pharmacology as Dr. Burack indicates. The development of this area is being greatly encouraged by individual drug companies, as for example, Burroughs Wellcome & Company, the PMA Foundation, the Drug Research Board of the National Academy of Sciences/National Research Council and the medical schools themselves. Dr. Burack's own school has an excellent program in clinical pharmacology. I am certain that during a medical student's clinical years, internship and residency, the subject of adequate and proper drug therapy is not neglected. The implication that the drug companies are to blame for "sloppy" drug practices of the average physician is certainly unjustified. It is the physician himself who is to blame if he fails to keep pace with modern medicine. Certainly, it is not because of inadequate source material in the form of up-to-date textbooks, published literature, and so forth. Rather, the busy practicing physician takes the easiest way to fill this gap and there is no question that the pharmaceutical industry has taken advantage. I think it is true that some of the advertising campaigns have been rather excessive and advertising budgets are high. However, the pharmaceutical industry and the FDA seem to have made considerable progress toward a meeting of the minds in this highly controversial field.

The exploitation of a drug by industrial promotion is one of Dr. Burack's major points of attack. He seems to take particular delight in bringing up on several occasions the intensive campaign of Warner-Chilcott in promoting Peritrate, the long-acting vasodilator prescribed for many heart patients. Naturally, the generic companies took advantage of this promotional campaign and one finds many generic preparations of pentaerythritol tetranitrate. Dr. Burack states that there is much honest difference of opinion among doctors as to its value, a fact that cannot be questioned. This drug will receive very careful scrutiny in the Efficacy Review now being administered under FDA sponsorship by the National Academy of Sciences-National Research Council. If it receives a rating of "probably effective" or "possibly effective", this means that a request will be made for further objective clinical studies if the drug is to remain on the market as an effective drug.

This raises very interesting problems with respect to generic versus brand-name drugs. Obviously, the generic companies have neither the resources nor facilities to carry out the required research. Warner-Chilcott, on the other hand, is certainly not going to make a large research investment in further research only to have the small generic companies reap the rewards, especially if government regulations require generic prescribing under Titles 18 and 19. The net result may be the withdrawal of the drug because of lack of proof of efficacy. This may not be a great loss to American medicine but I can predict the reaction of many physicians who have faith in and commonly prescribe long-acting vasodilators.

In other areas of generic versus trademarked drugs, the pharmaceutical industry has probably been remiss and Dr. Burack takes full advantage. Neglecting the problem of the generic equivalent, the price differentials that he quotes in certain areas are excessive and fully justify the accusation that the major drug houses take advantage of their trade names.

Dr. Burack's prescription drug list is going to be a source of infinite trouble with respect to doctor-patient relationship. It is not the sort of thing to be placed in the hands of the layman. He indicates that the drugs in the Handbook are adequate for the treatment of 90% of nonhospitalized patients. I am sure that many physicians would take great exception to limiting the major advances that have occurred in drug therapy over the past two decades to Dr. Burack's limited selection. It reminds me of the days of therapeutic nihilism when a favorite exercise was to attempt to reduce the number of effective drugs to a minimum. I am relieved to see, however, that in his message to physicians he admits that the pharmacological discussion is largely superficial and is designed to be used in conjunction with an authoritative textbook on pharmacology. I could go on and on discussing his drug selection but since it is largely based on drug costs, little would be gained.

Finally, we come to what I consider a major issue with respect to generic prescribing. The costs of drug research are steadily rising at a time when many medical problems remain that can only be solved by the development of new chemical agents. To meet the requirements for a complete and acceptable NDA requires about five years of research effort and the expenditure of millions of dollars. Only a small percentage of drugs that reach the stage of clinical trial pass the rigid tests that are now required. From my experience, pharmaceutical industry is meeting this challenge admirably and I know of no case in which a reduction of R and D activity is contemplated despite the tremendous challenge. On the other hand, I consider the small generic drug company a completely parasitic industry. Their research activities consist primarily of ascertaining the expiration dates of successfully patented drugs. The more successful the drug, the more the generic company is interested. They could not care less about the so-called "prestige" drug which is of inestimable value to a small number of patients and is often sold by large pharmaceutical companies at a loss or very little profit because of the importance of the drug for a small number of patients.

Under these circumstances, it is absolutely impossible for large pharmaceutical companies to meet generic prices even if all advertising and promotional costs were disregarded. Yet continued income from drugs that lose patent protection is essential. If generic prescribing or even prescribing from a formulary became mandatory if drugs are to be paid from federal or state funds, the government would be threatening the future of drug research. Within the next five to ten years, a large number of drug patents will expire and more and more of our therapeutic armamentarium will become available for generic prescribing. If this results in the reduction of research effort in the pharmaceutical industry, the nation will have suffered a major loss of research resources since it is impossible for the academician to fill the gap. The end result would be a sharp decline in the development of new drugs.

Dr. Burack makes the following statement: "There is no doubt that the pharmaceutical industry has made many important research contributions. Many conscientious physicians undoubtedly feel that this one factor alone justifies prescribing brand-name items even though the patents have expired and the patients have to pay more than if generic equivalents are prescribed. There is something to be said for this view, *provided public money is not involved (as with welfare or Medicare patients) and that private patients who foot drug bills directly are agreeable. Patients (who are "captive consumers") have a right to know for what services they are paying."* I take grave exception to the phrase "provided public money is not involved." This is an area where public money should be definitely involved since it is public health that is at stake. It would indeed be unfortunate if in the future a situation develops where pharmaceutical research is threatened because a lack of foresight in legislative planning or a placing of restrictions on a highly imaginative and productive industry.

I would like to end my comments on this book with an item that amuses me very much. From the advance publicity given this book, it has been estimated that hundreds of thousands of copies will be sold. The paperback edition I estimate to be no more than thirty thousand words, printed on coarse, cheap stock and sold at a price of $1.95. At this rate, Goodman and Gilman, a standard textbook of pharmacology and therapeutics, which does not sell in the hundreds of thousands, would be priced at $90.00, if compared with the hard-cover edition at $200.00. Paperbacks with a much smaller potential market commonly sell at one-quarter of the price of the Handbook. Considering Dr. Burack's concern about the consumer's dollar, somebody is going to make a huge profit. Could it be that Dr. Burack is going to reap this reward because of the extensive research that he has put into this product, a reward that he denies to pharmaceutical industry? Or could it be that Dr. Burack is going to turn over part of his profits for research purposes, which is also a practice of legitimate pharmaceutical companies?

Senator Nelson, I believe that much of the material you are studying merits attention, but I feel that there is a real and critical danger that your subcommittee's isola-

tion of drug prices as the prime matter of importance in drug therapy is going to distort the impressions your committee receives about the pharmaceutical industry—and, more important, it may prompt the committee to make most shortsighted, unfortunate recommendations. I believe it is essential to recognize, and recognize most strongly, the genuine contributions the drug industry has made. I also feel that it is entirely improper to imply that advertising, as costly as it appears to be in this industry, does not have a substantal value to the physician, and to those he serves.

In short, I urge you to bring your hearings into more balance and to avoid the attractive but quite unobjective conclusions that could quite easily be made—and which, in perspective, would cripple or ruin an industry we quite plainly need.

I am taking the liberty of sending copies of this letter to all the members of your subcommittee.

Sincerely,

ALFRED GILMAN, Ph.D.,
Associate Dean for Graduate Education.
WILLIAM S. LASDON,
Professor of Pharmacology and Chairman of the Department

CURRICULUM VITAE

PERSONAL INFORMATION

Name: Alfred Gilman.
Date of Birth: February 5, 1908.
Place of Birth: Bridgeport, Connecticut.

EDUCATION

B.S.: Yale University, 1928.
Ph. D.: Yale University (Biochemistry), 1931.

EXPERIENCE

Research Fellow, Biochemistry, Yale School of Medicine, 1931–32.
Research Fellow, Pharmacology, Yale School of Medicine, 1932–35.
Assistant Professor of Pharmacology and Toxicology, Yale School of Medicine, 1935–43.
Captain and Major, Sn-C, A.U.S., Chief, Pharmacology Section, Medical Division, C.W.S., 1943–46.
Associate Professor of Pharmacology, College of Physicians and Surgeons, Columbia University, 1946–48.
Professor of Pharmacology, College of Physicians and Surgeons, Columbia University, 1948–56.
Professor and Chairman, Department of Pharmacology, Albert Einstein College of Medicine, 1956– .
Associate Dean for Graduate Education, Albert Einstein College of Medicine, 1964– .

SOCIETIES

Sigma Xi.
American Physiological Society.
Society for experimental Biology and Medicine.
Harvey Society.
American Society for Pharmacology and Experimental Therapeutics.
New York Academy of Sciences.
New York Academy of Medicine.
Hon. Fellow, American Academy of Allergy.
Hon. Member, Alpha-Omega Alpha.
Fellow, American Association for the Advancement of Science.
Member, National Academy of Science.

OTHER INFORMATION

Member, Pharmacology & Experimental Therapeutics Study Section, United States Public Health Service, 1946–49, 1950–55; Chairman, 1956–60.
Member, Pharmacology Training Committee, United States Public Health Service, 1960–63.
Member, Heart Special Projects Committee, United States Public Health Service, 1963–65.
Advisory Council on Research, New York Heart Association, 1958–61.
Scientific and Educational Council, Allergy Foundation of America.
Editorial Board of American Journal of Physiology, and Journal of Applied Physiology, 1950–56. Consulting Editor, 1956–57.
Editorial Board of Pharmacological Reviews, 1948–55.
Advisory Council, Cystic Fibrosis Research Foundation, 1960–65.
Advisory Council, New York City Health Research Council, 1960–65.
President, American Society for Pharmacology & Experimental Therapeutics, 1960–61.
Executive Committee, Medical Division, National Research Council, 1962–64.
Member, Drug Research Board, National Academy of Sciences, National Research Council, 1963– .
Chairman, Organization Committee, Drug Efficacy Review, National Academy of Sciences, National Research Council, 1966–67.
Chairman, Executive Committee, Drug Efficacy Review Committee, National Academy of Sciences, National Research Council, 1967– .

CATCH-AS-CATCH-CAN

Mr. BARTLETT. Mr. President, the most recent edition of the Reporter magazine contained an article entitled "Our Catch-as-Catch-Can Fisheries."

Thomas H. Lineaweaver III, the author of the article, outlines the sad condition of the Nation's once proud fishing industry, explains some of the programs authorized by Congress to help to revitalize our fishing industry, and concludes by stating in a single paragraph the reason why a viable fishing industry is important to the welfare of the Nation.

Mr. Lineaweaver points out that while domestic uses of fish have doubled since 1948, the U.S. catch has shrunk from 80 percent to 40 percent of fish sold domestically. The result is that this Nation, once a leader among fishing nations now leads the world in the amount of fishery products imported.

This decline is not surprising when one reads reports on the condition of our fishing fleet. Let me quote from Mr. Lineaweaver:

> In 1965, to take a particularly disheartening example, 225 of New England's seven hundred-odd fishing vessels called for Coast Guard assistance and many had to be towed upwards of one hundred miles home; the most common problem was engine breakdown, but a leaky hull was not uncommon. Sixteen vessels sank and eleven fishermen were lost.

In face of such reports, some may ask if it really matters whether or not we have a strong fishing industry. Mr. Lineaweaver puts the case for our fishermen this way:

> Their annual catch is worth $450 million at dockside, but to the processor it is worth $1 billion. They have $500 million tied up in vessels that keep shipyards and gear manufacturers busy. The industry and closely allied shore activities provide half a million jobs. U.S. fishermen, whatever their present woes, would appear to be a national asset.

That is a lot of jobs and money to let slip from our economy. That is a lot of fish to leave unharvested in a world hard pressed for adequate food supplies.

Mr. President, I ask unanimous consent that the article be printed in the RECORD. It contains much food for thought.

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

OUR CATCH-AS-CATCH-CAN FISHERIES

(By Thomas H. Lineaweaver III)

In March, 1965, Boston longshoremen refused to unload a shipment of foreign-caught fish. Not that there was anything improper about the shipment. A processing firm in Maine had been unable to find a particular fish on the domestic market, so it bought abroad. That was proper. But, considering the circumstances, it was also less than politic. For there hangs in the State House in Boston, opposite the Speaker's desk, a gilded codfish—"a memorial," according to the motion to hang it in March, 1784, "of the importance of the Cod-Fishery to the welfare of this Commonwealth." The fish in dispute were cod.

Moreover, the cod were not simply foreign-caught. They were caught by Russians in—according to local suspicion—waters regarded by Yankee fishermen as traditionally their own. Since 1960 a Soviet fleet that often numbers upwards of two hundred of the world's most modern and efficient vessels has been fishing south and east of Nantucket, a few miles off the New England coast. Trawlers two hundred feet long catch the fish, factory ships four hundred feet long convert the catch to finished products, and some ships serve both functions. Carrier vessels take the finished products to port and bring back supplies. Service vessels, and frequently research ships, are attached to the operation. Similar fleets from the Soviet Union and Japan fish off the Pacific Coast.

The United States has nothing to match these fleets, and the Boston dispute, which inevitably became known as the Boston Cod Party, reflected the ailing condition of the domestic marine fishery. It is the nation's oldest industry and was once its most prosperous, but today, except for regional bright spots, it is in serious difficulty.

DECLINE AND DETERIORATION

In 1948, U.S. fishermen caught about five billion pounds of fish, eighty per cent of our domestic use. Now, while domestic use has doubled, they catch less than forty per cent of it and the country has become the world's foremost importer of fish and fish products—$720 million worth annually.

During the mid-1950's the United States slipped from second to fifth among fishing nations—behind the Soviet Union, Communist China, Japan, and Peru. These other countries raised their catches between 1954 and 1964 (Japan by 40 per cent, the Soviet Union by nearly 100 per cent, China by 150, and Peru by an astonishing 4,598 because of the exploitation of newly discovered anchovy stocks), but the United States catch fell off. In 1966 the United States fell into sixth place behind Norway.

This country's commercial fishing fleet also deteriorated. A survey done last year by a magazine in the field showed that of the fleet's fourteen thousand documented vessels (five net tons and over), some 450 were at least fifty years old; the average age was twenty. In length they averaged under seventy feet. They were generally ill-equipped; ninety-two per cent didn't have refrigeration, seventy-seven per cent didn't have direction finders, sixty-two per cent didn't have electrical plants, and forty-eight per cent didn't have radio-telephones. Three thousand of them were powered by engines from thirteen to twenty years old, and sixteen per cent of the engines had not been overhauled in the past eight years. In 1965, to take a particularly disheartening example, 225 of New England's seven hundred-odd fishing vessels called for Coast Guard assistance and many had to be towed upwards of one hundred miles home; the most common problem was engine breakdown, but a

leaky hull was not uncommon. Sixteen vessels sank and eleven fishermen were lost.

The industry's plight has various and even bizarre origins. To begin with, a law signed on New Year's Eve, 1792, by George Washington made it illegal for foreign-built fishing vessels to land their catch in a U.S. port. It is still on the books. Its intent was to protect small domestic shipyards, and for years it had no impact on fishermen. Now, however, when the cost of building a fishing vessel in the United States is fifty-five to sixty-five per cent greater than in, say, West Germany, the Netherlands, or Japan, few U.S. fishermen can afford new vessels that would be competitive with their foreign counterparts.

Although United States postwar policies have been vital to the health of international trade, they have hurt the American fisherman. Tariff barriers of long standing have been lowered or discarded. Foreign aid has been greatly helpful to the development of foreign fisheries, many of which soon began to compete successfully in the United States market. At the same time, a number of allied nations—and such unallied ones as Russia, East Germany, and Poland—have been investing in modern fishing fleets to provide food and, through export, foreign exchange.

As a result, the U.S. fisherman's share of the domestic market continues to shrink. Exports amount to only $85 million—twelve per cent of the import total—and the gap will probably grow larger.

It has been said, with a degree of justice, that the U.S. fisherman is conservative; that he is reluctant to try anything new; that because he doesn't always deliver raw material in the form the processor wants it, the processor is forced to buy elsewhere. There is, however, another side to this. The fisherman has for some time been in a high-risk, low-profit situation. Gambling on new gear or a new method of operation could be ruinous. And there are other discouragements.

The states manage their own fishery resources, usually by limiting or outlawing efficiency on the theory that this is the best way to conserve resources. Massachusetts fishermen can't use a seine to catch striped bass. Many Chesapeake oyster dredgers must use sailboats. Alaska seine boats in the salmon fishery are limited to a maximum of fifty-eight feet in length and in an effort to compensate for this restriction, they are constructed with such wide beams that they are inefficient whether fishing for salmon or any other species.

The nation's 128,000 commercial fishermen are by and large broken up into regional or fishery groups whose interests often diverge. There is no effective national fishermen's association. This situation usually precludes any concerted efforts to change the laws. New England ground fishermen, for instance, favored Congressional action in 1966 to extend the territorial fishing limit from three miles off the U.S. coast to twelve. They fish close to the coast and fear foreign encroachment. Gulf of Mexico shrimp fishermen and California tuna fishermen opposed extension. They frequently fish foreign waters and feel vulnerable to retaliation by other governments.

The nation's eating habits are often cited as contributing to the fishermen's unhappy predicament. The yearly use of fish in the United States averages sixty-three pounds per person, almost twice the world average, but most of the poundage is used as fish meal to supplement the diet of livestock and pets. The per capita use of fish for the table is a relatively modest ten and a half pounds as against one hundred and four pounds of beef, fifty-eight pounds of pork, and thirty-six pounds of chicken. To fishery analysts the breakdown is irrelevant. They emphasize that while the domestic catch is static at about five billion pounds, domestic use is twelve billion pounds and growing at a faster rate than the population. Moreover, they estimate that available fishery resources could sustain an annual catch five times the present harvest. The U.S. fisherman, in brief, lacks neither the market nor the fish, and if he could become competitive it would make small difference to him whether he caught fish for meal or for food.

RESEARCH AND DEVELOPMENT

One step toward competitiveness would be the building of efficient vessels. In 1964 Congress expanded and strengthened an earlier attempt to alleviate the situation that stems from the law Washington signed in 1792 as well as the fishery trends since the Second World War. It authorized $10 million a year for five years for a subsidy of up to fifty per cent to cover the difference between vessel construction costs in U.S. and foreign shipyards. The program has been slow in getting under way; from December, 1964, through June, 1967, only fifty-five subsidy applications were approved and only twenty-two contracts were let. The fact is, relatively few fishermen are able to take advantage of a law that requires the subsidized vessel to be of advanced design, able to operate in expanded areas, and equipped with the most modern gear available. Such a vessel of about one hundred feet in length may cost up to $500,000. In addition to the subsidy program, the government also provides funds to insure vessel mortgages and something in the neighborhood of $3 million a year in loan funds at six per cent interest to build or remodel vessels. Therefore, the government makes available only the modest sum of about $15 million a year for upgrading the fleet.

Efficiency, of course, depends not only on a modernized fleet but also on adequate research. But the Bureau of Commercial Fisheries (BCF), which conducts government research into the marine fishery, is not treated with generosity. Its budget for fiscal 1968 is about $49 million—a modest rise from that of 1967, but a sum that still leaves some research facilities understaffed and some research projects underfinanced. For instance, BCF currently has only seventeen research vessels over seventy feet in length plus one under construction. A research vessel in the 150-foot range, which is not large for an ocean-going ship, costs about $2 million. But the bureau has no funds allocated to new-vessel construction for this fiscal year.

Yet the Bureau of Commercial Fisheries does well by the fisherman. Its efforts in such areas as the prediction of groundfish abundance and the development of new uses and better processing methods are good examples.

In the past, the fisherman sometimes geared his vessel to catch a usually abundant species of groundfish and then found that the species wasn't abundant enough to be profitable. This meant that he might have to lay up, for a change-over in gear to fish another species was often too costly. Today he is forewarned. BCF biologists have learned that the abundance and thus the catch of certain species can be predicted by a year or more by having port agents monitor daily landings and by making month-long cruises to sample the young of the year at perhaps two hundred locations on the fishing grounds.

The BCF also administers a program enacted by Congress in 1964, whereby the Federal government will meet up to seventy-five per cent of the cost of a state research project. During the last two fiscal years, $8.2 million was appropriated for aid to such projects as pink-salmon forecast research in Alaska, oyster-raft production in Alabama, and gear research and testing of improved commercial fishing boats in Puerto Rico.

The bureau is attempting to develop processing methods that will be less costly than present ones, yet give fish a longer and more appealing life in the food store. Irradiation and freeze-drying are two new methods about which there is optimism, and if they broaden the market for food fish the U.S. fisherman stands to gain.

A marine (or fish) protein concentrate developed by the BCF and by the VioBin Corporation could broaden the fisherman's market. Manufactured from the whole fish—head, tail, teeth, innards, and all—the concentrate is an almost tasteless and odorless flour that is very nutritious and, at 20 cents a pound, cheap to produce. A ton of fish can be converted to 320 pounds of concentrate, enough to bolster the diets of thirty undernourished persons for a year at a cost of two dollars each. Since 1.5 billion persons throughout the world suffer from protein malnutrition and population is outstripping agricultural capacity, the concentrate's proponents believe that it will become a major domestic and export commodity, opening the way for U.S. fishermen to exploit billions of pounds of presently unutilized fish stocks on the Continental Shelf. Although the U.S. Food and Drug Administration had withheld approval of the concentrate's sale for six years on the ground that consumers would consider anything made from whole fish to be filthy, the agency has finally acquiesced and Congress has voted funds for construction of a pilot plant and the leasing of another.

SURVEYS AND SOUNDINGS

For all the BCF's good works, its communication with the fishermen is imperfect. It passes along research findings and other pertinent fishery information in its publications and in scientific journals, but it has no formal extension service—a serious gap, considering what the Department of Agriculture's extension service and county-agent system have meant to the farmer in terms of technological education and assistance.

Indeed, the fisherman has poor communications not only with the BCF but also with the twenty-odd government agencies involved in oceanography. Ocean currents, weather, bottom topography, chemistry, and other factors affect the behavior and productivity of fish, yet there is no effective mechanism for relaying information on these topics to the fisherman. A remedy may be in the offing, for Congress and the White House independently took first measures in June, 1966, to centralize the government's ocean research and to co-ordinate it with research being carried out by states, industries, universities, and unaffiliated marine laboratories. Congress created a cabinet-level National Council on Marine Resources and Engineering Development headed by Vice President Humphrey and a Commission on Marine Science, Resources and Engineering Development, which is to issue a report next year. The Panel on Oceanography of the President's Science Advisory Committee, in a study entitled *Effective Use of the Sea*, recommended that something be done forthwith about the commercial fishery. "Clearly," it reported, "the United States lags behind other nations in the technology of fishing and aquiculture. Future food problems of the world require that we develop these technologies and assist other nations to develop them. The Panel assigns very high priority to this task."

Two additional cheering notes were struck in 1966. The University of Rhode Island, where marine research is excellent and growing, announced a two-year academic program designed to graduate well-informed fishermen, the first such university program in this country. And Congress, mindful of the land-grant colleges' influence on agricultural development, passed the National Sea Grant College and Program Act providing grants to further the development of marine resources.

It can be fairly said that U.S. fishermen finally are being noticed and that they have

a future. The states probably will eliminate or modify some of the obstacles to efficient fishing. New processing methods undoubtedly will prove more economical than old ones and the market for food fish will expand. Marine protein concentrate also will provide new opportunities for expansion.

The vessel-subsidy program is now starting to contribute substantially to the enlargement and upgrading of the fishing fleet, but the bald fact remains that most of the fleet needs modernizing and the fisherman must have more Congressional help. To reduce the uncertainty and delay inherent in the present system, it has been urged that the subsidy be made a fixed percentage of the construction cost and that the present procedures be simplified. It has also been suggested that tax incentives for vessel construction or improvement could be a spur to progress, as could a plan similar to one operating in Canada that offers a fixed subsidy and an interest-free loan on the balance.

In the short term, however, the fishermen remain in economic jeopardy. Unless something can be done soon, many may be forced to seek other work. A persuasive case can be made for measures to help the fishermen. Their annual catch is worth $450 million at dockside, but to the processor it is worth $1 billion. They have $500 million tied up in vessels that keep shipyards and gear manufacturers busy. The industry and closely allied shore activities provide half a million jobs. U.S. fishermen, whatever their present woes, would appear to be a national asset.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the period for the transaction of morning business be closed.

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

ELECTION REFORM ACT OF 1967

The Senate resumed the consideration of the bill (S. 1880) to revise the Federal election laws, and for other purposes.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. Mr. President, is there an amendment pending at the present time?

The PRESIDING OFFICER. There is an amendment pending.

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

Mr. CANNON. I yield.

Mr. PEARSON. Mr. President, I send to the desk an amendment in the nature of an amendment to the pending amendment by the distinguished Senator from Pennsylvania.

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

Mr. PEARSON. I yield.

Mr. CLARK. Mr. President, it is my understanding that the amendment the Senator is now sending to the desk is an amendment to amendment No. 291.

Mr. PEARSON. The Senator is correct.

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

Mr. PEARSON. I yield.

Mr. CANNON. Mr. President, amendment 291 is not pending. Therefore, I ask unanimous consent that amendment No. 291 be made the pending business.

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

Mr. CANNON. I yield.

Mr. PEARSON. Mr. President, as I understand it, amendment No. 292 is now the pending business. Is that correct?

Mr. CLARK. There is no pending amendment. We set aside both amendments temporarily to conduct morning business without the inhibition of a unanimous-consent agreement.

The Senator could have the amendment to which he desires to introduce his amendment restored.

Mr. PEARSON. Mr. President, I make such a request in the nature of a unanimous-consent agreement.

The PRESIDING OFFICER. The ruling of the Chair is that amendment No. 291 was pending at the time the Senate went into the period for the transaction of routine morning business; that after the morning business was completed amendment No. 291 became the pending amendment.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Mr. President, is there further morning business?

The PRESIDING OFFICER. No; we have disposed of that.

Amendment No. 291 is now the pending amendment.

Mr. CANNON. Mr. President, I ask unanimous consent that amendment No. 291 be temporarily laid aside.

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

Mr. CANNON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of amendment No. 292.

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

Mr. PEARSON. Mr. President, I thank the distinguished Senator from Nevada.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, it is my understanding that the unanimous-consent request entered into yesterday provides that amendments to amendments were entitled to 1 hour on each side and, accordingly, the Senator from Kansas [Mr. PEARSON] would be able to yield himself time.

Mr. PEARSON. Mr. President, in that event I send to the desk an amendment to amendment No. 292, and ask unanimous consent that it be in order at this time.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The assistant legislative clerk proceeded to state the amendment to amendment No. 292.

Mr. PEARSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment to amendment No. 292, ordered to be printed in the RECORD is as follows:

On page 1, between lines 6 and 7, insert the following new sections:

"REGISTRY OF ELECTION FINANCE

"SEC. 202. (a) There is created in the General Accounting Office a Registry of Election Finance, hereafter referred to as the 'Registry'.

"(b) The Registry shall be headed by a Registrar of Election Finance, hereafter referred to as the 'Registrar', who shall be appointed by the Comptroller General of the United States without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and may be removed by him at will.

"(c) The Registrar shall perform such duties as may be delegated or assigned to him by regulations or orders of the Comptroller General. The Comptroller General may designate an employee of the General Accounting Office to act as Registrar during the absence or incapacity of, or during a vacancy in the office of the Registrar.

"(d) All officers and employees of the General Accounting Office serving in the Registry other than the Registrar, shall be appointed under the provisions of title 5, United States Code, governing appointments in the competitive service and shall be compensated in conformity with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"'(78) Registrar of Election Finance, General Accounting Office.'

"ADVISORY BOARD

"SEC. 203. (a) There is hereby established a bipartisan advisory board to be known as the Advisory Board of the Registry of Election Finance, hereafter referred to as the 'Board'. The Board shall be composed of twelve members at least half of whom shall not be in the employ of the United States. The President and the Comptroller General shall each nominate two members; the majority leader of the Senate, the minority leader of the Senate, the Speaker of the House of Representatives, and the minority leader of the House of Representatives shall each nominate two members, one of whom shall be a Member of Congress. The Comptroller General shall receive such nominations and shall appoint the members of the Board. The Board shall select a Chairman from among its members. A member of the Board shall serve for a term of two years and may serve for more than one term. If for any reason a member of the Board shall fail to serve a complete term, his successor shall be nominated by the official who nominated such member and the successor shall be appointed by the Comptroller General to serve the unexpired term.

"(b) The Board herein established shall be constituted not later than ninety days following the appointment of the Registrar.

"(c) The Board shall advise and make recommendations to the Comptroller General and to the Congress with respect to (1) the means for effectively publicizing the information submitted in the reports and statements required by this title, (2) any need for legislation, and (3) such other matters as the Comptroller General or the Board may determine.

"(d) Members of the Board, while attending meetings or conferences of the Board or otherwise serving at the request of the Comptroller General, shall be entitled to receive compensation at a rate to be fixed by him but not exceeding $75 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently."

On page 11, line 2, strike out "SEC. 202", and insert in lieu thereof "SEC. 204".

On page 12, line 14, strike out "SEC. 203", and insert in lieu thereof "SEC. 205".

On page 14, line 16, strike out "SEC. 204", and insert in lieu thereof "SEC. 206".

On page 17, line 18, strike out "SEC. 205", and insert in lieu thereof "SEC. 207".

On page 17, line 24, strike out "204", and insert in lieu thereof "206".

On page 18, line 3, strike out "SEC. 206", and insert in lieu thereof "SEC. 208".

On page 19, line 11, strike out "SEC. 207", and insert in lieu thereof "SEC. 209".

On page 22, line 20, strike out "SEC. 209", and insert in lieu thereof "SEC. 211".

On page 5 of such amendment No. 292, line 3, strike out "SEC. 210" and insert in lieu thereof "SEC. 212".

On page 5 of such amendment No. 292, line 7, strike out "SEC. 211" and insert in lieu thereof "SEC. 213".

On page 5 of such amendment No. 292, line 9, strike out "SEC. 212" and insert in lieu thereof "SEC. 214".

On page 5 of such amendment No. 292, line 11, strike out "SEC. 213" and insert in lieu thereof "SEC. 215".

On page 5 of such amendment No. 292, line 15, strike out "SEC. 214" and insert in lieu thereof "SEC. 216".

On page 5 of such amendment No. 292, line 17, strike out "SEC. 215" and insert in lieu thereof "SEC. 217".

On page 5 of such amendment No. 292, line 19, strike out "SEC. 216" and insert in lieu thereof "SEC. 218".

Mr. PEARSON. Mr. President, this is, as we now know—through the courtesy of the distinguished Senator in charge of the bill, whom I applaud for his great work in this particular field—a matter of some concern and interest to me. I have introduced a bill in the Senate and have testified before the Finance Committee some time ago. Many of the provisions there have been incorporated in the matter now before us. It is my understanding that the amendment—No. 292—offered by the distinguished Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] is in the nature of a so-called technical amendment whereby they would strike from the bill the words "Secretary of the Senate and the Clerk of the House," and instead place the authority to receive information concerning contributions over $100 in the aggregate during a year by candidates, and receiving personal services totaling contributions more than $100 in expenditures and loans, and so forth—all that in the Office of the Comptroller General.

With that concept I have expressed agreement, and do so now.

Mr. President, the real thrust of the amendment is the recognition that there is within the Comptroller General no structure in which this enormous volume of information, highly technical in nature, as well as statistical information, can be received, handled, and disseminated to the public. Thus, the purpose of the amendment would be to establish within the office of the Comptroller General a registry of election finances which would give that proper structure and which would give that proper staffing the mechanics and the means to handle this enormous volume of statistical information coming in.

The other part of the amendment is an advisory board of 12 persons, two to be selected by the President, two by the Comptroller General, two by the minority and majority leaders of both House and Senate—some 12 persons who would fundamentally serve three functions:

One, to advise the Comptroller General and Congress as to the ways and means of effectively making public all of this information; two, as to the needs and future legislation; and, three, as to other matters which may be vitally necessary to the goal we all seek.

That, in essence, is the subject of this particular amendment. It is consistent with and follows the recommendations of the Herter Commission appointed by President Kennedy in 1961.

I have discussed this amendment with the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT], and hope it will be in furtherance of a way to perfect the amendment which they have offered today.

I am hopeful that it will be accepted into the sponsoring measure.

Mr. CLARK. Mr. President, will the Senator from Kansas yield?

Mr. PEARSON. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. I have, as the Senator has just stated, discussed this amendment with him. On behalf of my colleague [Mr. SCOTT] and myself, I am happy to accept the amendment.

The Senator from Kansas, I think, has made a significant improvement to the amendment which we have jointly sponsored.

Mr. PEARSON. I thank the Senator from Pennsylvania.

The PRESIDING OFFICER. Do Senators yield back all their time?

Mr. PEARSON. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, with the time to be charged to neither side.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the previous order providing for a vote to begin at 12:15 on the first of the two amendments offered by the Senator from Pennsylvania [Mr. CLARK] be vacated, and that the Senate proceed to a vote on amendment No. 291 at 12 o'clock; that vote to be immediately followed by a vote on amendment No. 292; with the time between now and 12 o'clock to be equally divided between the Senator from Pennsylvania [Mr. CLARK] and the Senator from Nevada [Mr. CANNON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CLARK. Mr. President, it is my understanding, as a result of a conversation with the Senator from West Virginia [Mr. BYRD], that at 11:50, or perhaps at 11:45, we will have a long quorum call in order to get Members of the Senate here, and then the Senator from Nevada [Mr. CANNON] and I can take about 2 minutes each to summarize our views before the vote.

Mr. BYRD of West Virginia. Yes.

Mr. President, I suggest the absence of a quorum, and ask that the time be charged equally to both sides.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on amendments 291 and 292 at the same time.

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

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays.

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. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CLARK. Mr. President, I ask unanimous consent that the vote on amendment No. 292 may come first.

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

Mr. CLARK. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. CLARK. Mr. President, amendment No. 291 is an amendment which would call for disclosure by all candidates for congressional office, be they Members or not, of their assets and liabilities.

Mr. President, I have inadvertently made a foolish unanimous-consent request.

I ask unanimous consent that we vote first on amendment No. 291.

Mr. BYRD of West Virginia. Mr. President, reserving the right to objection, do I correctly understand that the Senator intends that we vote immediately on amendment No. 292?

Mr. CLARK. I would like to take 2 minutes on that amendment.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the vote on amendment No. 291 occur at 12 o'clock, and that immediately after the vote on amendment No. 291, there be a period of 5 minutes, to be equally divided between the mover of the amendment and the manager of the bill, following which there will be a vote on amendment No. 292.

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

Mr. CLARK. Mr. President, I yield myself 1 minute on amendment No. 291.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 minute.

Mr. CLARK. Mr. President, amendment No. 291 would require a disclosure by all candidates for Congress and of Members running for reelection of their assets and liabilities.

This is a stiffened version of the provision which was in the administration bill last year, which I was then privileged to introduce.

The provision was stricken out by the committee, to my regret, by a vote of 7 to 2.

The pending amendment, if agreed to, would in effect raise itself to the objection often expressed by my distinguished friend, the senior Senator from Illinois [Mr. DIRKSEN], that it would make him a second-class citizen.

I do not think that it would.

I urge the adoption of the amendment as a sound reform which would make public the knowledge of the financial assets and liabilities of individuals who run for Congress.

Mr. President, I yield back the remainder of my time.

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

Mr. CLARK. I yield.

Mr. CASE. Mr. President, the pending amendment is in line with a measure that I have been urging for a long time, both with the Senator from Pennsylvania [Mr. CLARK] and with other colleagues.

Mr. CLARK. This might well be called the Case bill.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, this is an impertinence and an outrage. It ought to be roundly defeated, and the committee ought to be sustained.

That is all I have to say.

Mr. CANNON. Mr. President, I yield 30 seconds to the Senator from Nebraska.

Mr. CURTIS. Mr. President, the subject of the pending amendment is entitled to consideration, but it should not be included in a Privileges and Elections Subcommittee bill. It should be considered by the Select Committee on Standards and Conduct.

This is a matter that would be very difficult in law if we were to attempt to ascertain what real wealth is and show it in a report.

The proposal has had no committee consideration as such, and I think it should be postponed until such time as the Select Committee on Standards and Conduct reports on that general subject.

Mr. CANNON. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 30 seconds.

Mr. CANNON. Mr. President, as I stated earlier, I favor this amendment in principle. But it does not go far enough. It should encompass the three branches of the Government.

On the other hand, the Senate has designated to the Select Committee on Standards and Conduct the specific job of studying this matter.

The committee is considering this and other similar proposals.

It would be folly on the part of the Senate now to step in and take away from the committee a job that it has been working on so long and diligently.

I urge that the amendment be rejected.

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

Mr. CANNON. I think my time has expired.

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. Are we under controlled time?

The PRESIDING OFFICER. The Senate is under controlled time.

Mr. MILLER. Mr. President, will the Senator yield 30 seconds?

Mr. CANNON. Mr. President, if I have 30 seconds remaining, I will yield it to my colleague.

Mr. MILLER. I wish to add that I thoroughly agree with the Senator from Nevada in his comments.

There is one further defect, and that is that it only covers the spouse and the candidate himself. It does not encompass the other members of the family, who should be included in this coverage if we are really going to give the public the information they need.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

Th legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. METCALF], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], and the Senator from North Carolina [Mr. JORDAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Washington [Mr. MAGNUSON] would vote "nay."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent.

If present and voting, the Senator from Colorado [Mr. DOMINICK] would vote "nay."

The result was announced—yeas 42, nays 46, as follows:

[No. 244 Leg.]

YEAS—42

Bayh	Hartke	Morse
Boggs	Hatfield	Morton
Brewster	Hollings	Moss
Burdick	Inouye	Nelson
Carlson	Javits	Pastore
Case	Kennedy, Mass.	Percy
Church	Kennedy, N.Y.	Proxmire
Clark	Kuchel	Ribicoff
Cooper	Long, Mo.	Scott
Cotton	McGee	Spong
Dodd	McGovern	Tydings
Gore	McIntyre	Williams, N.J.
Griffin	Mondale	Williams, Del.
Harris	Montoya	Young, Ohio

NAYS—46

Aiken	Fulbright	Mundt
Allott	Gruening	Murphy
Baker	Hansen	Pearson
Bartlett	Hayden	Prouty
Bennett	Hickenlooper	Randolph
Brooke	Hill	Smathers
Byrd, Va.	Holland	Smith
Byrd, W. Va.	Hruska	Sparkman
Cannon	Jackson	Stennis
Curtis	Jordan, Idaho	Talmadge
Dirksen	Lausche	Thurmond
Eastland	Long, La.	Tower
Ellender	McCarthy	Yarborough
Ervin	McClellan	Young, N. Dak.
Fannin	Miller	
Fong	Monroney	

NOT VOTING—12

Anderson	Jordan, N.C.	Muskie
Bible	Magnuson	Pell
Dominick	Mansfield	Russell
Hart	Metcalf	Symington

So Mr. CLARK's amendment (No. 291) was rejected.

Mr. CANNON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. FULBRIGHT and Mr. BYRD of West Virginia moved to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair advises the Senate that there is a 5-minute limitation on amendment No. 292, with the time to be equally divided. Who yields time?

Mr. CLARK. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The Senator from Pennsylvania is recognized for 2 minutes.

Mr. CLARK. Mr. President, this amendment would substitute the Comptroller General for the Secretary of the Senate and the Clerk of the House for the administration and enforcement of S. 1880 for which, of course, I am happy to vote.

The reason why it is wise and best to vest authority in the Comptroller General is that he is a designated agent of Congress having competence to deal with this matter, with the amendment accepted by my cosponsor, my colleague [Mr. SCOTT], and myself, as proposed by the Senator from Kansas [Mr. PEARSON].

We have given the Comptroller General, in the pending amendment, adequate staffing authority to deal with this enforcement.

There are two reasons why the Secretary of the Senate and the Clerk of the House should not be vested with this authority.

The first reason is that they are partisan, patronage appointees. Charming and able gentlemen though they are,

they would be charged with handling a completely impartial duty; namely, to monitor the filing of returns dealing with partisan political elections. To put these two gentlemen, who are partisan, political appointees of the Democratic and Republican Parties, in charge of a job which should be as highly impartial as anything in our democracy can be, I suggest is a mistake.

The second reason is that these two gentlemen, for whom I have the highest regard, the Secretary of the Senate and the Clerk of the House, have absolutely no competence in this area. They know nothing about computers and other kinds of information necessary to assure that the job will be performed efficiently.

There is no room in the Capitol for them to expand. Every Senator here knows he needs another room somewhere in which to carry out his duties. If Frank Valeo and W. Pat Jennings get this authority, they will need more room. But, we have not got it.

Let me say, in conclusion, that the Comptroller General is an agent of Congress and is eminently equipped to handle this job. The fact that he does not want it is irrelevant. The Secretary of the Senate and the Clerk of the House do not want it either. It is a dirty and difficult job which we have to vest in someone.

The Comptroller General, in my judgment, is the individual most able to perform that duty.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, it is no accident that the first article of the Constitution is devoted to the creation of the legislative branch. It is, by all odds, as President Monroe once said, the most important branch and the very keystone of our form of government.

Section 5 of the Constitution states—in words that even the Senator from Pennsylvania can fully understand:

> Each House shall be the Judge of the Elections, Returns, and Qualifications of its own Members, . . .

Mr. President, now what does the celebrated Member from the Keystone State wish to do?

He wishes to farm this out to an independent agency that is known as the Comptroller General's Office. Notwithstanding it is under the jurisdiction of Congress, he is still farming out a constitutional responsibility.

Mr. President, this is a constitutional responsibility which should be kept here. It does not make any difference how dirty the job may be. It does not make any difference how soiled someone may become in exercising that responsibility. It still is here. If it were given to me, I would exercise it to the best of my ability. But, this is the place to do it.

This amendment should be turned down by a resounding vote.

I am surprised at the vote we got on the amendment just voted on. It should have been rejected out of hand, as this one should be.

The PRESIDING OFFICER. One minute and a half of the Senator's time has expired.

Mr. DIRKSEN. That is all I have to say.

Mr. CANNON. I yield myself the remaining 1 minute.

Mr. CLARK. Mr. President, I yield myself one-half minute, on my own time——

Mr. DIRKSEN. Although, let me say to the Senator from Pennsylvania, this is the first opportunity I have had to discuss this matter, one minute and a half is not too much.

Mr. CANNON. Mr. President——

The PRESIDING OFFICER. The Senator from Nevada is recognized for 1 minute.

Mr. CANNON. Mr. President, I pointed out earlier that the Comptroller General did not want this job. I thought he made a very good statement and I am going to repeat part of it:

> Basically, the General Accounting Office operates as a control agency in the legislative branch to assure compliance with Federal statutes governing the expenditure of public moneys appropriated by the Congress for the various governmental purposes and to assist in improving the efficiency with which Government financed programs are administered. In executing these functions we operate as an agent or arm of the Congress. The administrative functions and duties contemplated in the proposed bill not only are unrelated to the expenditure of appropriated funds, but, they involve the necessity for governing the reporting of and delving into the political and personal affairs of congressmen who as a body constitute our principal. We do not believe that oversight of the political and personal financial transactions of individual congressmen is consistent with the posture we must maintain in executing our basic mission.
>
> Nor, for obvious reasons, do we believe it appropriate that administration of provisions of law relating to the promotion of high standards of ethical conduct for congressmen be vested in any agency of the executive branch.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for one-half minute.

Mr. CLARK. Mr. President, there is no constitutional question here. The question is which of the two agents of Congress shall be vested with the authority, the Secretary of the Senate, who is our agent, or the Comptroller General, who is already our agent. Of course, he does not want the job. Neither does anyone else. I think we should give it to him.

The PRESIDING OFFICER. All time on the amendment has now expired. The question is on agreeing to the amendment No. 292 of the Senator from Pennsylvania [Mr. CLARK].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of Virginia (after having voted in the negative). On this vote, I have a pair with the senior Senator from Michigan [Mr. HART]. If he were present he would vote "yea"; if I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. METCALF], the Senator from Rhode Island [Mr. PELL], and the Senator from Georgia [Mr. RUSSELL], are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. JORDAN], and the Senator from Minnesota [Mr. MCCARTHY], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent.

If present and voting, the Senator from Colorado [Mr. DOMINICK] would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

[No. 245 Leg.]

YEAS—30

Aiken	Jackson	Pearson
Bartlett	Javits	Prouty
Bayh	Kennedy, Mass.	Proxmire
Brewster	McGee	Ribicoff
Case	McGovern	Scott
Clark	Monroney	Spong
Cooper	Morse	Williams, N.J.
Dodd	Moss	Williams, Del.
Gore	Nelson	Yarborough
Hatfield	Pastore	Young, Ohio

NAYS—56

Allott	Griffin	McIntyre
Baker	Gruening	Miller
Bennett	Hansen	Mondale
Boggs	Harris	Montoya
Brooke	Hartke	Morton
Burdick	Hayden	Mundt
Byrd, W. Va.	Hickenlooper	Murphy
Cannon	Hill	Percy
Carlson	Holland	Randolph
Church	Hollings	Smathers
Cotton	Hruska	Smith
Curtis	Inouye	Sparkman
Dirksen	Jordan, Idaho	Stennis
Eastland	Kennedy, N.Y.	Talmadge
Ellender	Kuchel	Thurmond
Ervin	Lausche	Tower
Fannin	Long, Mo.	Tydings
Fong	Long, La.	Young, N. Dak.
Fulbright	McClellan	

NOT VOTING—14

Anderson	Jordan, N.C.	Muskie
Bible	Magnuson	Pell
Byrd, Va.	Mansfield	Russell
Dominick	McCarthy	Symington
Hart	Metcalf	

So Mr. CLARK's amendment (No. 292), as amended, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CURTIS. Mr. President, I have an amendment at the desk, which I ask to be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 6, line 23, to change the period to a comma and add: "if not otherwise prohibited by this act."

Mr. CURTIS. Mr. President, I can state the case for this amendment very briefly. Certainly, we are all agreed that, whatever rules there are to be as to raising of finances, they should be applied to all people equally. I have a fear about what construction might be placed upon subsection (f), on page 6. That subsection is just four lines long. I wish Sen-

ators would notice it. It is near the bottom of the page. The section reads:

Nothing contained in this section shall be deemed to prohibit any contribution to a candidate by the spouse or a child, grandchild, parent, grandparent, brother, or sister of the candidate.

Now, what is "any contribution"? Does that mean that, in an endowed family, a grandchild can give a million dollars and that the rest of the candidates who must appeal for funds are limited to contributions of $5,000? Does it mean that it will be interpreted that the individual of modest means who must raise funds for a campaign, when he secures funds from an individual, must have the spouse, husband, and minor child counted as one person, but not so with endowed families?

The reason we are here and the necessity for this legislation is that the great mass of Americans are not able to finance a campaign within a family. Are we going to write a bill that is a special rule, that any contribution can be made by a member of a family of a candidate? All I ask is that the same rules apply to all candidates for the Senate, and that the same rules apply to all candidates for the House of Representatives. Therefore, when reference is made to what members of the family can contribute, I add the words "if not otherwise prohibited by this act," because the section it refers to is a limitation on political contributions and purchases.

I may be in error, but I am afraid of what the courts may interpret this section as meaning. It reads:

Nothing contained in this section—

That is, the one that puts a limitation on contributions—

shall be deemed to prohibit any contribution to a candidate by the spouse or a child, grandchild, parent, grandparent, brother, or sister of the candidate.

Mr. President, that is my case. I hope the amendment can be accepted, or, if not, that the Senate will adopt it.

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

Mr. CURTIS. I yield.

Mr. CANNON. I would like to inquire of the Senator from Nebraska whether or not it would be his intention, if this amendment were adopted——

Mr. PASTORE. Mr. President, we cannot hear the Senator.

Mr. CANNON. Mr. President, I would like to ask the distinguished Senator from Nebraska whether or not it would be his intention, if this amendment were adopted, that a wife in a community property State would therefore be precluded from giving more than $5,000 to her husband's campaign—that is, that the husband could not use more than $10,000 of community funds.

Mr. CURTIS. That is my contention, that if the candidate who must appeal to civic-minded people must be limited as to the amount that any individual can give him, that rule should apply to everybody.

I can understand that there can be some problem about who owns property, husband or wife. But certainly there is no justification for exempting grandchildren and grandparents from the rules that we lay down for everybody else, every humble citizen of the land who has to raise money to run for office, and saying that he must conform to limitations and rules that families of great wealth are exempt from.

Probably the entire section should be stricken; I do not know. There may be some reason for having it. I know that the chairman of the committee acted with the utmost good faith. I do have a fear as to how this might be ruled upon by the courts.

Mr. CANNON and Mr. LAUSCHE addressed the Chair.

Mr. CURTIS. I yield first to the manager of the bill.

Mr. CANNON. Mr. President, I would have no difficulty in going along with the Senator on his amendment if it were changed to make it absolutely clear that a man could use whatever amount of his own money he wished to use.

Mr. CURTIS. I certainly agree with that.

Mr. CANNON. The amendment, as worded, would raise a very serious question in my mind, in a community property State, whether a husband could use more than $10,000 of community funds, if this amendment were adopted.

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

Mr. CURTIS. Let me reply first to the Senator from Nevada.

I would be the last person to say that an individual, if he wants to finance his own campaign, should not be permitted to do so. I believe that we do not have a problem in those things. At any rate, certainly any expenditure that, in truth and in fact, comes from the husband's property, would not be governed by what I propose here.

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

Mr. CURTIS. I promised first to yield to the Senator from Ohio.

Mr. LAUSCHE. The language now written into the bill, in section 608(a), states:

(a) It shall be unlawful for any person, directly or indirectly, to make a contribution or contributions in an aggregate amount in excess of $5,000

That language places the limitation of $5,000 upon the amount that any person can give.

Then subparagraph (f) under section 608 states:

(f) Nothing contained in this section shall be deemed to prohibit any contribution to a candidate by the spouse or a child, grandchild, parent, grandparent, brother, or sister of the candidate.

Is it the Senator's fear that that language might be interpreted to put a limitation of $5,000 upon gifts made by anyone except relatives, and that they may give as much as they please, commensurate with their ability to give?

Mr. CURTIS. That is one of my fears, plus this further fact: That if a stranger, at arm's length, makes a contribution of $5,000 to a candidate, under this bill, his spouse cannot do likewise; they are treated as one. Or he cannot give in the name of his children. It is a family limitation.

That is the rule that is applied to the vast majority of candidates. If section (f) stays in here, there is not only the danger that relatives can give in unlimited amounts, but also the danger that every one of them—grandchildren, grandparents, brothers, sisters, and so on—can give, not as family units, but each one could give the limit, if the limit does apply, which I doubt.

Mr. LAUSCHE. My own interpretation would be that subsection (f) completely nullifies the language contained in subsection (a); relatives could give as much as they please, and the very objective of the law intended to place a limitation on amounts, would be applicable to the ordinary individual, but not to relatives of the candidate.

I think the Senator's amendment strikes at a conspicuous weakness in the language of this bill. Whether the language of the amendment is exactly what it ought to be, I cannot say.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. CURTIS. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I, too, noted this deficiency in the bill. I hope very much the manager of the bill may accept the amendment. We certainly do not want this to be a rich man's family bill, which is what it would be if we left this provision intact.

I suggest, since this is a Senate bill and the details can be worked out in conference, that it might be well to take it as the Senator from Nebraska has drafted it, with the understanding that in conference, the problem of the candidate's own resources, whether community property or of his own, can be dealt with.

I think this is a glaring loophole in the bill, and I hope the manager of the bill will accept the amendment.

Mr. CURTIS. I thank the distinguished Senator, and again I pay my respects to the manager of the bill. He was gracious in the consideration of this matter when it was before the committee. I did not have a chance to study this matter as I would have liked.

Certainly, if this amendment is either accepted or agreed to, and it is found deficient when the matter goes to conference, I shall be the first to urge that it be modified so that it will be workable and fair.

Mr. LONG of Louisiana. Mr. President, it seems to me that the amendment, at least in some respects, tends to defeat what the bill seeks to accomplish. I say "in some respects" because, in other respects, it might actually move in the direction of achieving those ends.

As I understand it, the whole purpose of this disclosure is to seek to prevent improper influence of public officials. That, as I understand, is the purpose; the idea being that if one must explain where his money came from, the public can judge; and, that being the case, one would be restrained from accepting contributions that he should not properly accept.

This amendment, as drafted, would strike at this situation: Let us assume that a man is the son of a rich father,

and the father is proud of his son, and wants to support his son's candidacy for public office.

What more honest money is likely to come to a candidate to help pay for his campaign, what gift more highly motivated, than that of a father who thinks his son is a decent man and would serve well in public office, and would like to contribute to the son's campaign?

Between two sources of income, which would be better, the $5,000 that a number of private contributors might contribute, or the $15,000 or $20,000, or $30,000, that a father might contribute to his son?

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I shall yield in a minute.

Mr. President, just looking at the matter practically—and I have not thought about it very much, just since the amendment was offered here—I think it would be somewhat difficult to explain, when a son of a wealthy man seeks public office, his need for contributions.

If I were asked to contribute to help finance the campaign of the son of a rich man who is worth, let us say, $20 million, my reaction would be, "Why should I have to contribute to pay that man's campaign expenses? His father is far better able to pay than I am."

As far as someone who might expect to influence the man's vote or conduct in public affairs is concerned, it would stand to reason that his father would have a more generous motive in simply feeling that his son was a good man whom he would like to support.

In talking about limitations and saying that a rich man's son should not have any more money available to him than a poor man's son, we are talking about an entirely different problem—the problem of overall limitations. The Senate is well aware of the fact that I like the idea of providing that everybody should have adequate financing, and that there should be no special debt due, one way or the other.

But it does seem to me that if we are talking about what source of income we would prefer that a candidate's money come from, I think we would have to agree, and embrace that philosophy, that if a man wants the job badly enough to spend 1 year's salary seeking the job, that that is legitimate money, and there should be no limitation—certainly no $5,000 limitation—on what the man could spend of his own.

Suppose his father or his mother has substantial wealth. As between asking private businessmen to put up the money and putting it up themselves, they prefer to put up the money themselves. And they can well afford it. In which way is that man likely to be less influenced to vote contrary to all his deep convictions—when his family puts up the money or when he seeks the money from private interests?

If we agree to the amendment, it seems to me that what we will do in the case of a son of a wealthy family is that we would require those folks to engage in an indirect way in an activity that they should be permitted to engage in directly.

It is easy enough for a mother or a father with $50 million or $100 million to call upon their business associates to put up $50,000 or any other amount. Some of those people own big banks and big corporations. They can influence their business associates as to how much money they should put up.

If a man happens to be the president or chief stockholder or own the controlling interest in a big insurance company, he can suggest to every person who has a big insurance agency with the company how much money he should put up.

The manager of a big corporation can, not bluntly, but with finesse, suggest to every person who has a connection with that corporation that he ought to make a contribution.

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

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Mr. President, the Senator is contradicting himself. A person can be corrupted with 10 cents, $100, or $5,000. The very important thing is the glaring publicity.

What the Senator from Nebraska is arguing is that if we are going to limit or restrict a stranger as to a contribution, then we ought to limit the members of a family and treat them the same as we would a stranger.

We do not want to make the Senate of the United States a rich man's club. The idea that a candidate, because he has tremendous wealth in his family, can campaign so extensively and expensively as to smother a poor candidate does not appeal to the senior Senator from Rhode Island. One with unlimited wealth could go into a State and buy up all the available television time if we did not provide equal time under the law. Section 315 of the Communications Act gives us equal time.

Why do we have that section? It is in order to mete out equity to all participants. It shows the intent of the Congress to give a fair deal to candidates for public office. Within our power we want to make sure that character and competence are not overwhelmed merely by a dollar differential.

We do not want to make this a lopsided affair so that if a person is lucky enough that his lucky father born before him—now has a tremendous amount of wealth ready to back up his ambitious son, the son, then, will have a tremendous advantage. We could end up then with a Senate that is composed exclusively of sons of the rich. And I do not believe such a Senate would be truly representative of our democracy.

Mr. LONG of Louisiana. Mr. President, all I am saying is that with regard to the sons of very wealthy people, they can raise the money to finance their campaigns anyway. They can raise that money.

Who around here wants to contend that the son of someone who is worth $50 million or $100 million or more than that cannot raise the money with which to finance his campaign? If his father thinks the son is worthy of holding public office, he can certainly raise enough money with which to finance him, even if that father has to ask for contributions rather than do it directly.

My first question of that man would be: "Why don't you put it up?"

His answer would be: "I can't put it up because Congress forbids me by law to put it up."

That is why the father must call on his business associates to put up the money.

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

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. That is just what gives the poor boy a break. That is exactly what gives the poor boy a break, the fact that he cannot be smothered by the money power of the opposition, not even by the fact that his opponent and all his relatives happen to be rich. This amendment puts everybody on the same level.

That is the equity I am looking for.

Mr. LONG of Louisiana. All I am saying is, and this is very simple, that as between the ways of financing a rich man's son, there is no problem in doing it. There is no problem if a man is worth $100 million. He would have no problem in raising enough money for his son to run for public office, whether it be for the House of Representatives or the Senate, even in a large State. He would have no great problem. He would raise the money from his business associates or put it up himself.

In which way would the son be more likely to be in a position to vote his own deep convictions on a matter—if his father simply puts up the money for his son because he thinks his son is worthy of serving in public office, or if his father has to go to his business associates and ask them for contributions and pass the hat among them and have them put up the money?

I submit that as between the two, the son would be less obligated to any improper influence if his father puts up the money rather than to have the father go around and ask a lot of people with whom he does business to put up the money.

If we put the poor man on the same level as the son of that rich man, we would have some overall limitation on the amount of money that can be raised. That is the decision that was made in reverse because it proved to be so completely impractical to try to limit what people could raise and spend in campaigns. It was decided that we would not do that.

I submit that with regard to the son of a rich man, to limit the rich man to a $5,000 contribution in support of his son's campaign runs into the same logic that caused us to take the overall limitation on the amount that could be spent. People would find other ways of achieving the same purpose.

It resulted in all kinds of hypocrisy and resulted in creating more corruption than it stopped. As we found with the overall limitation, it results in all sorts of evasion and deceit. It did not meet the practical realities of life. We dispensed with it.

If the pending amendment is agreed to, we would prevent a wealthy man from supporting his son when the father is not seeking any special advantage. The father is acting only through pride in his son and pride in his country.

All we would do is make the father insure that his son had enough money for his campaign by urging his business

associates to put up the money and explaining to them that the reason he could not put up the funds is that Congress would not permit him to finance his son directly.

Mr. CURTIS. Mr. President, in Omaha, we have a very wonderful institution called Father Flanagan's Boys Town. For generations, homeless boys have come there, and they have gone out and made wonderful records.

Someday in the future one of those boys will be a candidate for high office. I want him on the same starting line with every other candidate for Federal office.

In Omaha, we also have some very philanthropic people, and it is not stretching the imagination too far to suppose that some wealthy individual will be attracted to a homeless boy who had been to Boys Town and say, "Here, young man, if you want to run for Congress, I will pay the bill. I will back you to the limit."

We have a bill here that provides that this cannot be done. There is a $5,000 limit.

I think it is probably debatable whether we should have the limitation or not. I did not put the limit in there. However, it is there.

All my amendment asks is that we apply it across the board and not write in a provision for a few families.

No one has answered the question as to why we have that section.

I hope the amendment can be accepted. If it is defective technically or otherwise, or is impractical and needs some correction, I will be the first one to accept it in conference.

Mr. LONG of Louisiana. Mr. President, if the pending amendment is agreed to, a man of means would be permitted to give 20 men $5,000 apiece as contributions to their campaigns. He could not give $100,000 to support his own son for public office. As between the two means of securing contributions, which would be more likely to put the candidate in a position to vote his own deep convictions on a matter?

That is not the fundamental purpose of the bill.

If you wanted to reduce to the greatest possible extent any danger or any threat of improper influence as a result of the way of financing campaigns, which way would tend to put more burden on those candidates—the man giving the $5,000 to 20 different people of the man giving $100,000 to his son who is campaigning for office? The pending amendment would not prohibit the man from giving $5,000 to a number of people whose friends then would proceed to give $5,000 to his son and who would report it. It would not prohibit achieving the same result in a dozen indirect ways which would tend to obligate the son to those people, but it would seek to prohibit the more proper way of financing the campaign as among the various means available to the parent in that case.

I submit that while the proposed amendment on its face and at first blush would appear to move in the direction of good government, it really does not do so at all. All it does is to require other, less desirable, methods of financing the campaign.

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 PRESIDING OFFICER 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.)

FONG CALLS PEARSON CHARGES UNTRUE

Mr. FONG. Mr. President, I rise to set the record straight on recent news stories which contain six untrue charges against me.

I refer specifically to two syndicated columns by Mr. Drew Pearson, one appearing in the Washington Post on September 5 and the other in the Washington Post on September 10 which also appeared in Honolulu papers and elsewhere. I also refer to news accounts of a television interview of Mr. Pearson in Honolulu, shown on September 3, 1967.

Ordinarily, it is my policy to ignore inaccuracies that may occur in the news media.

But the flagrant disregard for truth in these instances cries out for correction and for a recitation of the actual facts, facts which Mr. Pearson could easily have obtained.

Not once did Mr. Pearson get in touch with me or with my office to try to verify the accuracy or the inaccuracy of his charges. That is not only unfair. It is poor journalism.

In America we believe in fair play. Anyone accused is entitled to have his side of the story told. But Mr. Pearson did not give me the opportunity to tell my story when he made the attacks against me.

Any victim of Mr. Pearson is at a tremendous disadvantage, for the Pearson column is printed in newspapers all over the country. These columns are not available to his unfortunate victims for rebuttal.

In most cases, the rebuttal never catches up with the charges. His readers may conclude that the charges stand because so far as they know the charges have not been answered.

Therefore, I am taking the Senate floor in the only nationwide media available to me, so that the public record will reflect the truth regarding his charges against me.

I would only hope that Mr. Pearson has a sense of fair play which would impel him to print in his column the facts I give today.

Charge No. 1: On September 4, 1967, Mr. Pearson was quoted as having said during a television interview shown in Hawaii the preceding day that my votes as a Member of the Senate Antitrust Subcommittee "on the whole have been pretty good" but now that the subcommittee is investigating credit life insurance, Fong "has a conflict of interest and I think he ought to get off the committee."

The truth: I am president of Finance Factors, Ltd., an industrial loan institution, and I am president of Grand Pacific Life Insurance Co., Ltd. When a loan is made by Finance Factors, the borrower, if he wishes, may buy credit life insurance from Grand Pacific Life so that in event the borrower dies, his survivors will not be burdened with paying off the loan. Grand Pacific will pay it.

Although I am a member of the Antitrust Subcommittee, I have taken no part in the present credit life insurance investigation. No bill has been presented for a vote. In fact, no legislation is pending before the subcommittee.

Had a bill come before the subcommittee, I would have declared my interest and I would have abstained from voting. I have announced that I will not vote on such legislation if it is presented to the subcommittee in the future.

The only subcommittee action so far is to authorize a staff investigation, which lasted a year, and to hold public hearings, on May 16, 17, 18, and 19 this year.

Neither I nor my staff has contacted the subcommittee or its staff about the content or direction of the hearings before, during, or after the hearings. This can be verified by a check with the subcommittee staff.

Furthermore, as the official record will show, I did not attend a single one of these hearings nor did any of my staff attend. One reason is that each day I had other committee or subcommittee hearings or meetings at the same time the antitrust hearings were held. Another reason is that I realized my attendance, while not in fact conflict of interest, could be so misconstrued.

Since there has been no participation and no action by me on the subcommittee's credit life insurance investigation, there has been absolutely no conflict of interest.

The facts in this situation prove Mr. Pearson's charge is utterly untrue.

Charge No. 2: In his column appearing in the Washington Post on Sunday, September 10, Mr. Pearson stated in regard to credit life insurance:

> The Bank of Hawaii charges only 50 cents per $100 for insurance to protect repayment of the loan, but Senator Fong's company charges $1.50.

The truth: My company charges $1.00, not $1.50.

Mr. Pearson could easily have verified this. He was recently in Hawaii for a month, according to news stories.

The $1 charge is the prevailing rate for credit life insurance charged by the great majority of the 180 industrial loan licensees in the State of Hawaii. Two of the larger banks in Honolulu also charge $1 on a $100 loan. Another bank charges more than $1.

A recent survey by Provident Alliance Insurance Co., Ltd., a Hawaii corporation which writes or re-insures credit life insurance in 47 States, found the $1 rate to prevail in 23 States.

The survey also found a 90-cent rate in one State, 75 cents in 10 States and under 75 cents in 10 States. In three States, the prevailing rate is $2 per $100 of insurance.

Mr. Pearson is welcome to check with the Antitrust Subcommittee to verify that my company's rates are the prevailing rates in more than half the States in America.

The charge of $1, which is generally the prevailing rate for credit life insurance in the State of Hawaii, was in existence long before Finance Factors, Ltd., began business as an industrial loan company. Hence, upon entry into the industrial loan field, Finance Factors, Ltd., adopted the rate which was in existence.

Credit life insurance is purely voluntary with my company. Only 25 percent of Finance Factors loan portfolio is covered by credit life insurance.

Credit life insurance is a very small portion of the business of Grand Pacific Life Insurance Co., which is owned by 429 stockholders.

Once again, the facts prove Mr. Pearson's charge is utterly untrue.

Charge No. 3: News accounts of the television interview of Mr. Pearson reported:

> Pearson charged that Fong formerly operated slot machines in Okinawa. Said Pearson: "He admits he used to run slot machines there, but he says he didn't know about it at the time. He says someone else was running them for him."

The truth: There are two untruths in this account. One, neither I nor any of my business firms has ever run or owned slot machines on Okinawa. Two, I never admitted I had, because the fact is I have not.

Mr. Pearson went even further in his attack this time than he did once before on this subject. Seven years ago, he wrote a column in which it was indicated that I made a trip to Yokosuka Naval Base in Japan to urge Navy officials to renew a Hawaii businessman's contract to place slot machines in service clubs in the Far East.

I have never been to Yokosuka. I never personally discussed the matter with the Navy. Although my staff was making inquiries on behalf of the businessman, I did not know it as I was in the Far East at the time the inquires were made.

Once again the facts proved Mr. Pearson's charges are utterly untrue.

Charges No. 4 and 5: Not content with attacking me as a political officeholder and as a businessman, Mr. Pearson recently attacked my personal family relationships. In a column on race relations in Hawaii, carried in the Washington Post, September 5, Mr. Pearson stated:

> Japanese discrimination against whites is nothing, however, compared with the discrimination between Japanese and Chinese.
>
> When Sen. Hiram L. Fong, a Republican and one of the major investment bankers in the islands, was notified that his son, Hiram, Jr. had married Janet Nishino in Reno last Dec. 23, his comment was not conducive to better race relations. Miss Nishino was a former Cherry Blossom Princess and came from a good Japanese family.
>
> That made no difference to Senator Fong. He hopped on a plane to Reno that same day—too late, however.

The charge that I made a comment "not conducive to better race relations" in regard to my son's marriage to a young lady of Japanese descent is a bald-faced lie. I made no such comment, publicly or privately.

It would not be in my nature to make such remarks. After all, I have a nephew who married a fine girl of Japanese descent and a niece who married a fine boy of Japanese descent.

One of my brothers married a Caucasian-Hawaiian girl and another married a girl of Korean descent.

So my total environment is one of racial understanding and acceptance.

But more than that. My son chose for his wife a lovely, educated young lady from a fine family. We are proud to welcome her into the Fong family.

I am just sorry that, in attacking me, Mr. Pearson may have brought heartache to Janet, particularly since her husband, my son, is in Vietnam serving as a lieutenant with the 25th Division.

The second lie in Mr. Pearson's account is that I hopped a plane to Reno as soon as I was notified of the marriage to try to stop it.

I did no such thing. Mr. Pearson could have checked this fact very easily if he had wanted to check it. After all, the whole State knows when I am in Honolulu, in Washington, in Iran, in Houston, in Canada. They would have known if I had gone to Reno. The people can vouch that I did not, as can the airlines.

At the time of the wedding, my son was on furlough and wanted to take his bride back with him when he returned to his Army post in Georgia.

As his furlough was quite short they decided to be married very quietly. It was such a surprise wedding that Janet did not even tell all her relatives. I gave my son a big check before he took off for the wedding and wished them both all the happiness in the world.

Anyone in public life soon learns that some people will throw brickbats from time to time. Critics even attacked the late President Roosevelt through his little dog, Fala, making F. D. R. quite indignant.

I am even more indignant that anyone would attack me through my son and daughter-in-law, who are completely outside politics.

Mr. President, I have shown the facts to prove Mr. Pearson's charges are untrue.

I do not know the reason for Mr. Pearson's attacks on me.

But I believe his readers will be interested in the truth regarding these incidents.

Mr. President, while I am disturbed about the attacks made upon me personally by Mr. Pearson, I am equally disturbed about the aspersions cast upon the various peoples of Hawaii.

Although his column, which appeared in the Washington Post on September 5, is obstensibly devoted to Hawaii's multiracial harmony, Mr. Pearson proceeded to slander specific racial groups.

In one sentence, Mr. Pearson said the people of Hawaii have "accomplished a miracle of human relations." Yet in the same column he said "Japanese discrimination against whites is nothing, however, compared with the discrimination between Japanese and Chinese." He gave no substantiation for discrimination between Japanese and Chinese except for his attack on me which I have already proved is without foundation.

Contrary to the impressions given in the column, amicable relations between these races are the rule, not the exception. Residents not only of these ethnic groups but of all groups work together, play together, and live together harmoniously in Hawaii.

Mr. Pearson is also grossly unfair and offensive when he accuses the older Japanese of watching "with disapproval the enlistment of their sons in the American army." He also slanders them when he adds:

> What finally won over the older generation, however, was social security. When the pension checks began coming in and they found that their adopted country was supporting them in their old age, they decided it was a great place.

To say that the older generation of Japanese was won over to the United States because of social security—as Mr. Pearson did—is an affront to this group who gave not only their sons to this country's defense but also gave the best years of their lives to help build the prosperous Hawaii of today. They cast their lot with America a long time before social security.

In World War II, after Pearl Harbor, the Japanese immigrant parents in Hawaii encouraged their American-born sons to volunteer for military service. It was with great pride and a deep sense of gratitude to their adopted country that the older Japanese urged their sons to take up arms for the United States.

Their loyalty and patriotism come not from social security checks but from the fact that the immigrant peoples adopted the United States as their country when their children were born as American citizens, were educated in American schools, grew up as Americans and, when put to a test, willingly served in American uniform as a demonstration of their devotion to the country which offered them opportunity and advancement.

In 1943, when the War Department authorized the formation of the 442d Regimental Combat Team, to be composed of all American-Japanese, the call went out for 2,500 volunteers in Hawaii. Five times that number of American-Japanese from the islands responded.

The record of the 442d as well as that of other Hawaii servicemen proved outstanding and proved beyond doubt the complete loyalty and patriotism of Hawaii's people.

I denounce Mr. Pearson's slanders.

Mr. President, so that the record may be complete, I ask unanimous consent to have printed at this point several news articles containing Mr. Pearson's charges and my published answers.

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

[From the Honolulu Star-Bulletin, Sept. 4, 1967]

FONG DENIES CHARGES BY PEARSON

Washington columnist Drew Pearson has charged Sen. Hiram L. Fong with conflict of

interest in a Senate anti-trust committee investigation of credit life insurance.

Fong is president of Finance Factors, Ltd. and the Grand Pacific Life Insurance Co., Ltd. He denied this morning that he has done or plans to do anything wrong.

"What he is charging me with is being a member of the committee," Fong said. Fong is home for the Senate's Labor Day recess.

Pearson made his charges in a television interview he taped while in Hawaii on vacation. The interview which also featured Lt. Gov. Thomas P. Gill, was shown yesterday morning on KHVH-TV.

The Senate Anti-Trust Committee, on which Fong sits, is investigating credit life insurance.

This is life insurance sold to a man who takes out a loan. If the borrower should die before paying back the loan in full, the credit life insurance will pay off the unpaid balance.

Finance Factors is one of Hawaii's largest home-grown small loan companies. Fong said this morning that Grand Pacific Life sells credit life insurance as an underwriter, not as an agent of another company.

Pearson said Fong's votes as a member of the Senate Anti-Trust Committee "on the whole have been pretty good."

But now that the committee is investigating credit life insurance, Pearson said, Fong "has a conflict of interest . . . and I think he ought to get off the committee."

Pearson said later on the show that he did not think members of Congress should always disqualify themselves from voting because of a conflict of interest—and gave the example of a farmer voting on farm legislation. He said that he thought the conflict should be declared, however.

Pearson said he plans to write a column about Fong's alleged conflict of interest when he gets more information.

Fong said the Senate committee has held hearings, but there have been no votes.

"Where is the conflict of interest?" he asked.

"Before you can charge a man with conflict of interest, that man has to do something.

"Our committee has listened to evidence, but other than that we haven't done anything.

"The chairman has not presented any bill for a vote. Until there is a vote, there is no conflict."

Fong said he does not plan to vote if a bill is presented.

"I'm the president of an insurance company, so if a measure is presented for a vote, I would say: 'I have an interest in this. I don't care to vote.' "

Fong said Pearson had no grounds for suggesting that he resign his seat on the Antitrust Committee.

"No matter what committee I'm on, there'll be things that could amount to a conflict of interest," he said.

"The important thing is that I declare an interest and step aside when the matter comes up for action.

"Pearson would probably like to see me just get out of Washington."

Fong said it was typical of Pearson to "touch on a subject and in so doing falsely accuse somebody of wrong-doing."

Pearson also claimed that Fong had operated slot machines on Okinawa but "he says he didn't know about it at the time. He says someone else was running them for him."

Fong said this morning that "I don't know anything about slot machines on Okinawa."

[From the Honolulu Advertiser, Sept. 4, 1967]

SENATOR HITS BACK—PEARSON TAKES SLAP AT FONG

Washington columnist Drew Pearson yesterday charged Hawaii Sen. Hiram L. Fong with conflict of interest in a Senate antitrust committee's investigation of credit investment companies.

Pearson, who was vacationing in Hawaii the past month, made his remarks in a pretaped television interview shown over KHVH-TV yesterday morning.

Pearson said Fong was a member of the Senate Antitrust Committee, "where his votes on the whole have been pretty good.

"But now that they're investigating credit and credit investment companies, he has a conflict of interest . . . and I think he ought to get off the committee."

Asked if he planned to write a column on Fong's alleged conflict of interest, Pearson replied: "I intend to when I get more information."

Fong is president of Finance Factors.

In answer to Pearson's charges, Fong, home for the Labor Day recess, said:

"Our committee has held hearings, but there have been no votes. Where is the conflict of interest?

"Before you can charge a man with conflict of interest, that man has to do something.

"Our committee has listened to evidence, but other than that we haven't done anything.

"The chairman has not presented any bill for a vote.

"Until there is a vote, there is no conflict."

Fong said he does not plan to vote if a bill is presented.

"I'm the president of an insurance company, so if a measure is presented for a vote, I would say: 'I have an interest in this. I don't care to vote.' "

Fong said Pearson was absurd in suggesting he resign from the Antitrust Committee.

"No matter what committee I'm on, there'll be things that could amount to a conflict of interest," he said.

"The important thing is that I declare an interest and step aside when the matter comes up for action.

"Pearson would probably like to see me just get out of Washington."

Fong said it was typical of Pearson to "touch on a subject and in so doing falsely accuse somebody of wrongdoing."

Along with Lt. Gov. Thomas P. Gill, who also appeared on the show, Pearson charged that Fong formerly operated slot machines on Okinawa.

Said Pearson: "He admits he used to run slot machines there, but he says he didn't know about it at the time. He says someone else was running them for him."

To this, Fong replied:

"I don't know anything about slot machines, I don't know anything about Okinawa.

"His charge is the farthest thing from the truth."

Pearson said the press has not always been vigilant in exposing the unethical conduct of public officials.

Referring to the case of Sen. Thomas Dodd of Connecticut he said:

"When we first exposed Senator Dodd, some Connecticut newspapers blacked us out. Even today, some newspapers there have not really told the story of Senator Dodd.

"The press is usually good, but when it comes to exposing a hometown boy, it's not so good."

He said the executive branch of government in the United States is one of the most honest in the world, but that the same could not be said of Congress.

Although he refused to give names, Pearson said there are "probably three senators in Dodd's category."

Asked whether one of them is from Hawaii, Pearson at first replied: "I'm not going to comment on that." But he later added, "No, I don't think so."

Pearson said the fact that Harlem Rep. Adam Clayton Powell was expelled from the House while Dodd was only censured in the Senate indicates that there is a double standard of ethics.

"Powell was not as bad as Dodd," Pearson said. "He was just more flagrant. The chief difference between them is that Dodd was kind to his wife."

HAWAII: A MODEL IN RACE RELATIONS

(By Drew Pearson)

HONOLULU.—The sombre graveyard of sunken ships long ago has been cleared out of Pearl Harbor, but the battleship Arizona still sticks its grim superstructure above the water, and the headquarters building at Hickam Field is still pockmarked with bullet holes from Japanese bombers which flew low on that fateful day in December 26 years ago.

Every so often a new Air Force commander, arriving at Hickham Field determines to put a coat of plaster over the holes of the headquarters building. But his new broom never has a chance to sweep clean. Such a protest comes from the residents of Honolulu, both civilian and military, that the pockmarked walls are allowed to remain.

Despite these reminders of an attack which aroused people to a white heat of hatred, the people who live and work around these grim reminders have accomplished a miracle of human relations.

In no city of the United States have so many people of so many different races, some of them from countries at war with each other, lived so harmoniously together.

SKEPTICAL OLDER JAPANESE

When Congress was considering Hawaii for statehood, critics claimed the Japanese, Chinese, Portuguese and Philippine population would jar with the predominantly Caucasian race of the United States. Today, it's the mainland that has seen bitter big-city race riots, while the many races of Hawaii, now eight years a State, have set an example of racial understanding.

This has not been easy. Rivalries and national jealousies are not subdued by accident. It takes education, understanding and the passage of time. The older Japanese, for instance, watched with disapproval the enlistment of their sons in the American Army. And after the war was over, they could not realize that Japan had been defeated.

What finally won over the older generation, however, was Social Security. When the pension checks began coming in and they found that their adopted country was supporting them in their old age, they decided it was a great place.

What's happened in Hawaii is a healthy reversal of what's happening on the mainland. In Detroit, Newark, and other big cities, it's the young Negro who is the disillusioned troublemaker. In Hawaii, it's the young generation which is building up a loyal citizenry, setting an example of racial understanding.

All this has not been accomplished without some interesting friction, such as when James Michener, the famed novelist, was denied the right to buy a home in a white neighborhood because he had married a Japanese. This exclusion has largely vanished. Today it's the Japanese who sometimes bar white home buyers or who discriminate against whites in job hiring.

CHINESE VERSUS JAPANESE

Japanese discrimination against whites is nothing, however, compared with the discrimination between Japanese and Chinese.

When Sen. Hiram Fong, a Republican and one of the major investment brokers in the islands, was notified that his son, Hiram Jr., had married Janet Nishino in Reno last Dec. 23, his comment was not conducive to better race relations. Miss Nishino was a former Cherry Blossom Princess and came from a good Japanese family.

That made no difference to Sen. Fong. He hopped on a plane to Reno that same day—too late, however.

The Chinese comprise only 5 per cent of the population, yet do a major part of the big business. An illustration is Chinn Ho,

whose grandfather came to Hawaii in the 1870s, whose father was born about a mile from famed Waikiki Beach and who has now built in Waikiki a 1400-room hotel, the Ilikai, and is building another.

Land on which his hotel stands was offered to Chinn Ho by the Bishop estate in 1955 for $2.25 a foot. He turned it down. But in 1961 he bought it for $25 a foot. Today it would sell for $50 a foot.

That's the fabulous success story of Chinn Ho and the fabulous success story of Hawaii. The success of the former is wrapped up in the success of the latter, and Hawaii's amazing development has come with statehood, which guaranteed the future, and with the sympathetic understanding among the islands many races.

HAWAIIAN-GO-ROUND

In the Island of Maui, crime is almost non-existent. Lt. Leslie Medaris, chief of police of Hana, hasn't put a man in jail for about a year. His few arrests are for drunkenness and he merely tells the culprit to appear before the judge next morning . . . But in Honolulu the crime rate is rising. Highest crime is among the part-Hawaiians, who live in the poorest sections of the city. Pure Hawaiians, only about one per cent of the population and considered royalty, are admitted to the swank Pacific Club, Oahu Country Club and the Outrigger Canoe Club. Other orientals are not admitted. This caused Gov. John Burns to turn down membership in the Pacific Club.

[From the Honolulu Advertiser, Sept. 6, 1967]

FONG'S REPLY TO PEARSON: "IT'S A BALD-FACED LIE"

U.S. Sen. Hiram L. Fong yesterday called "a bald-faced lie" Washington columnist Drew Pearson's statement that Fong tried to stop his son's marriage to a girl of Japanese descent.

Fong, who is of Chinese ancestry, was asked about Pearson's remarks in a syndicated column in the Honolulu Star-Bulletin and other newspapers on Monday.

Pearson, writing on race relations in Hawaii, said that when Fong was notified of the marriage of Hiram Fong, Jr., to Janet Nishino last Dec. 23 in Reno "his (Fong's) comment was not conducive to better race relations."

"All of Hawaii will vouch for me that it's a baldfaced lie," Fong said. 'He wrote that I 'hopped a plane to Reno' to try to stop it."

Fong was silent a moment.

"This is so absurd that sometimes you don't want to dignify such a thing with an answer. But it was like this. My son was on a furlough of a week or so and wanted to take his bride with him when he went back to the Army.

"I gave him a big check just before he took off. If I had gone to Reno, the whole State would have known. The people here know when I'm home, when I'm in Washington or in Honolulu or in Iran."

Much of Pearson's column praised the racial harmony in Hawaii. But he said many Americans of Chinese ancestry are opposed to their children marrying persons of Japanese descent.

"In one breath he talks of the harmony between races here, and in the next he gives the dagger," Fong said.

"I have a nephew who's married to a fine girl of Japanese descent and a niece who is married to a fine boy of Japanese descent.

"One of my brothers married a Caucasian-Hawaiian and another married a person of Korean descent.

"Who am I to say that I'm better than anyone else or that my race is better than another?

"It's a bald-faced lie."

Fong is home for the 10-day Labor Day recess of Congress. He will return to Washington Sunday.

[From the Honolulu Star-Bulletin, Sept. 6, 1967]

FONG SAYS POLITICAL MOTIVE IS BEHIND PEARSON'S ATTACK

Senator Hiram L. Fong said today that he thinks columnist Drew Pearson may be trying to keep him "from running for public office."

Fong was commenting on critical references made by Pearson in his column in the Star-Bulletin Monday. Pearson wrote the column while vacationing in Hawaii. In it he said that Fong had attempted to stop his son's marriage to a girl of Japanese ancestry.

Fong said today:

"Maybe he (Pearson) came here and found that somebody is aspiring to a certain public office and started a campaign to keep me from running."

The senator declined to specify whether he was speaking of the next race for governor or re-election to the U.S. Senate.

He has often been rumored as a potential contender in the 1970 gubernatorial race if Lt. Gov. Thomas P. Gill decides to seek that office.

Pearson's column, accused Fong of attempting to stop the marriage of his son, Hiram Jr., to the former Janet Nishino.

Fong today called the accusation "insidious."

"There's nothing to what Pearson said. I don't know where such a thing would come from.

"It's a bald-faced lie," he said.

Pearson's column was generally complimentary to race relations in Hawaii.

But it said that Fong flew to Reno last December to try to stop the wedding. Fong says he did not.

So does his daughter-in-law, who thinks her in-laws are "just wonderful people."

"No one tried to prevent our marriage," the schoolteacher said an interview at Farrington High School, where she teaches Japanese.

She received her degree in secondary education at the University of Hawaii in June.

Only a handful of very close friends were told beforehand about the young couple's marriage last December.

"We didn't even tell my relatives," Mrs. Fong said.

"The Fongs have been wonderful about the surprise marriage.

"They have accepted me as a part of their family."

The Fong and Nishino families have met socially several times since the marriage, she said.

Today Fong said that he and his wife have had "a very fine and excellent relationship" with their daughter-in-law during the five days Fong has been home on a Labor Day vacation from Congress.

"We have had dinner with our fine and lovely daughter-in-law. My son is very happy in Vietnam (where he serves with the Army) and he writes his wife every day," Fong said.

Drew Pearson today said he had no political motivations in writing of Sen. Hiram Fong in a recent column.

"My story was a factual one, and I have no interest in Senator Fong's election or political future . . . ," Pearson said in a telephone interview.

"I have no animosity against Senator Fong.

"I did not even know he was up for reelection," Pearson said.

[From the Washington Post, Sept. 10, 1967]

BUSY SENATOR FONG

Sen. Hiram Fong (R-Hawaii), the first Chinese-American ever elected to the Senate, is in a conflict-of-interest position as a result of his far-flung small loan business.

Sen. Fong is one of the busiest small loan operators in the Hawaiian islands and also operates insurance companies, believing one hand should wash the other.

When you borrow from Finance Factors Limited, one of Fong's small loan companies, you also take out insurance to protect your loan with Grand Pacific Life Insurance Co. Limited, "President Hiram L. Fong." And you pay through the nose.

The Bank of Hawaii charges only 50 cents per $100 for insurance to protect repayment of the loan, but Sen. Fong's company charges $1.50.

Sen. Fong is a member of the Senate Judiciary Committee and of the Antitrust Subcommittee under Sen. Philip Hart (D-Mich.) which has been investigating claims that consumers pay $170 million too much for the same type of credit life insurance on loans that Sen. Fong is selling through his insurance company in Hawaii.

In other words, Sen. Fong sits on the subcommittee which is investigating the type of operation practiced by Sen. Fong.

[From the Washington Post, Sept. 11, 1967]

CREDIT LIFE INSURANCE

The charge for Credit Life Insurance on a $100 loan by Finance Factors, Ltd., is $1 and not $1.50 as stated in Drew Pearson's column. The $1 charge is the prevailing rate for Credit Life Insurance charged by the greater majority of the 180 industrial loan licensees in the State of Hawaii.

Two of the larger banks in Honolulu also charge $1 on a $100 loan. Another bank charges more than $1.

Mr. Arthur M. Bauckham, vice president of Provident Alliance Insurance Company, Ltd., a Hawaii corporation which writes or re-insures Credit Life Insurance in 47 States, recently issued a news release to the Honolulu Star-Bulletin.

Mr. Bauckham stated that his survey of charges of rates in the 47 States in which Provident writes insurance shows the rates to be as follows:

$2 per $100 of insurance in 3 States,
$1 per $100 of insurance in 23 States,
$.90 per $100 of insurance in 1 State,
$.75 per $100 of insurance in 10 States,
Under $.75 per $100 of insurance in 10 States.

The charge of $1, which is generally the prevailing rate for credit life insurance in the State of Hawaii, has been in existence long before Finance Factors, Ltd., began business as an industrial loan company. Hence, upon entry into the industrial loan field, Finance Factors, Ltd., adopted the rate which was in existence.

Credit life insurance is purely voluntary. Only 25 per cent of Finance Factors loan portfolio is covered by credit life insurance.

Credit Life is a very small portion of the business of Grand Pacific Life Insurance Company which is owned by 429 stockholders.

The Antitrust Subcommittee of the Senate Judiciary Committee has been listening to witnesses on Credit Life Insurance charges. Although I am a member of the Subcommittee, I have not, as stated by Mr. Pearson, "gotten himself in a conflict of interest position."

The Committee has not presented anything for decision. Without action on my part, there can be no conflict of interest. Should the Committee members be called upon to act, I will refrain from voting.

HIRAM L. FONG.

EASTMAN KODAK BFE TRAINING PROGRAM FOR WORKERS' EDUCATION

Mr. JAVITS. Mr. President, the perennial and perplexing problem of matching manpower and job openings is constantly being met in new ways. The solutions, of

course, are not overnight productions, nor are they always so dramatic as we might wish. Yet, progress is being made through effective public and private partnerships, and I am pleased today to report on one encouraging example.

The Eastman Kodak Co., in Rochester, N.Y., in recognition that one of the biggest barriers to some employees being advanced to higher skilled jobs is in the absence of basic educational grounding, is conducting a training program to help such employees to clear this hurdle.

To provide instruction in the rudiments of reading, writing, and arithmetic sufficient to qualify for entrance into skilled trades apprenticeship, Kodak asked the Board for Fundamental Education to establish a curriculum. BFE is a congressionally chartered, non-profit organization that designs and develops self-help programs to raise the living standards of undereducated men and women.

The impressive results which the Kodak-BFE program have produced are reported in an article appearing in the July–August 1967 issue of Personnel, published by the American Management Association, Inc. The article's author is Lee S. Gassler, Director of the Industrial Relations Division at Kodak Park.

Mr. President, so that others may benefit from this accounting of how Eastman Kodak Co. is meeting the problem of the undereducated worker, I ask unanimous consent that Mr. Gassler's article be printed in the RECORD.

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

HOW COMPANIES ARE HELPING THE UNDEREDUCATED WORKER

(By Lee S. Gassler)

There are ten million of what educators call "functional illiterates" in America today. They may not be able to read or write, or they may have only a rudimentary grasp of these skills that most of us take for granted. They are the "disadvantaged"—and we, as well as they, pay the price for their lack of fundamental education.

The undereducated worker is often unable to get over even the first hurdle in obtaining a decent job in our technically oriented society. A simple employment application holds terror for someone who can neither read the questions nor write the answers required by the form. Saddled with his inability to comprehend or communicate the written word, he loses another job even before he has begun.

Today, a growing number of companies are doing something to help these "unemployables" who are unable to qualify for any jobs at all, or at best can work only at the lowest levels of manual labor. Their motives are not entirely altruistic, of course; by developing and implementing programs to upgrade otherwise unqualified individuals, movement upward at all levels of the organization is facilitated, thereby helping to alleviate the more critical shortages in higher-skill jobs. There is little doubt, however, that both the community and the individuals concerned are the major beneficiaries of these educational programs.

Some of the companies conducting basic education programs set up and conduct the courses with their own personnel as trainers; others get aid from outside sources, such as local school systems. The program developed at Eastman Kodak Company provides a good example of the way in which many top companies are upgrading workers' basic skills to enable them to handle the more complex and sophisticated jobs created by today's technology.

Training programs are nothing new in industry, of course. Like most industrial companies, Kodak had long been involved in preparing workers for more highly skilled jobs. In 1962, Kodak was one of the first companies volunteering to join "Plans for Progress," the late President Kennedy's program to promote equal opportunity employment, and in 1964 the company embarked on its first experimental program aimed beyond the objectives of normal industrial training. Beginning with an initial class of fifteen trainees, the program had a specific target: to bring these men in one year to a level that would enable them to meet the entry requirements for the company's long-established skilled trades apprentice training program.

In addition to the regular on-the-job training, the group received 221 hours of special classroom instruction. This included 80 hours of mathematics; a minimum of 14 hours of writing; 15 hours of reading; 56 hours of blueprint reading; and 56 hours of mechanical comprehension. Essentially the same program was repeated in 1965.

Nevertheless, many men were still out of reach of such training, and the teachers, who had been selected from the Kodak Park training department staff, recognized that a better approach was needed. Differences between individual trainees made a tutorial effort necessary to maintain some semblance of balance within the groups, and it became clear that some method of accelerating the learning process on an individual basis would increase the effectiveness of the program.

Using the first two years as a guide, Kodak carried the plan one step further early in 1966, by doubling the number of trade trainees to 36 and starting a new laboratory training program for 16 people. An outside agency was asked to carry on the program for upgrading the basic abilities of those who lacked the necessary education, skills, and experience. The program was to include provision for such training for both new people and individuals already employed by the company.

In the past, other companies have experimented with forms of training beyond the scope of their immediate job needs. Seldom, however, had anyone set about recruiting, interviewing, selecting, and training people from a known unproductive labor source for entry-level jobs with a meaningful future. Nonetheless, this was the main objective when the Indianapolis-based Board for Fundamental Education (BFE) was asked by Kodak to provide instruction in the basic skills of communication and arithmetic.

WHAT IS BFE?

The Board for Fundamental Education, founded in 1948, is a non-profit, non-sectarian national organization which was granted a charter by Congress in 1954. Through an action-oriented research and demonstration program, BFE develops and implements innovative programs designed to raise the standards of living and aspirations of the undereducated. The organization is directing programs in 29 states in the broad areas of education, housing, employment, and health in both the rural and urban environments. Presently emphasizing adult education, BFE currently enjoys a total enrollment in classes throughout the country of 25,000. More than 80,000 persons have benefited from BFE instruction.

Guided by a board of directors made up of leaders in business, education, and public life, BFE has a long and continuous history of successful experiences in the service of people characterized by (1) little or no formal education; (2) subsistence living; (3) lack of knowledge, skills, and abilities to make it possible for them to effectively secure happiness and security in modern life situation and (4) a fatalistic view of life wrought from frustration. Convinced that lasting improvement is rooted in man's self esteem and pride, and that gains are made in proportion to man's personal investment in his own welfare, BFE structures every program around the concept of self-help.

Traditionally extending service through established channels at the community level, BFE entered into an active partnership with industry during 1965, when the organization designed an education program to be used by industry to raise the academic levels of workers who found it impossible to advance because of deficiencies in basic skills. Kodak joined a list of top firms employing the services of BFE.

The challenge in the Kodak program focused on opening doors to richer futures for people who have something—often a great deal—to offer, but who haven't been afforded the opportunity to utilize their potential. Lacking the critical skills of basic communication or the elementary ability to do simple arithmetic, they find it especially difficult to qualify for even the lowest level of work in a technical industry. The result is that nearly all the people selected have been underemployed or unemployed most of their working lives.

REACHING THE UNDEREDUCATED

The BFE adult education program employs at its core a highly specialized set of techniques and materials developed by BFE for exclusive use among older youth and adults. Called System for Success, the program is designed to raise students four complete grade levels within 150 classroom hours. Central to the program are sophisticated communication and motivation techniques that make it possible for BFE instructors to reach the undereducated.

While the company continues to operate the many specialized training programs necessary to provide skilled workers for a large and complex industrial organization, BFE provides training in basic education. The company is directly concerned with training people to run machines and processes, work in chemical laboratories, or function as a skilled craftsman; BFE wants to help the individual to read a newspaper, write a letter, know that an item in a store that's ballyhooed as a bargain at four for a dollar is more expensive than the same item selling at 23 cents each. Satisfied that this approach offered some hope for both the company's problem of a shortage of skilled help and the community's dilemma of a burgeoning population of unemployables, Kodak set about implementing its plan.

LEARNING TO SUCCEED

Early in the game it was recognized that nondiscrimination in and of itself is not enough to insure equal job opportunity. Men who have repeatedly failed throughout their lives need help to extricate themselves from the "failure syndrome." They know what it's like to fail; now they have to be shown what it is to succeed. In Rochester, where Kodak is headquartered, agencies and groups concerned with minority problems welcomed the opportunity to help. Kodak sent out letters to eleven organizations asking for referrals. The response was immediate and continuing. Since the program began, 125 persons have found work at Kodak. Three out of four of them needed BFE; the others were selected for regular employment.

In addition to those referred by the various agencies, other people found their way into the BFE program through the normal hiring channels. Once accepted for employment, individuals who seemed in need of some form of basic educational services were tested. Use of the Standard Achievement Test, Intermediate Battery Number II (the word meaning and arithmetic computation subtests) helped to determine initial placement

in the program and to measure accomplishments upon completion.

A GROUP PROFILE

Besides the test, other criteria were used to select candidates: (a) high motivation to achieve a better life for themselves and their families; (b) an environmental background that deprived them in some way of the opportunity to develop their latent abilities; (c) a present state of unemployment; and (d) underachievement or incompleteness in their formal education.

A group profile showed strong similarities in background, but the candidates were still individual human beings. They responded to different stimuli and they learned at differing rates of speed and with greater or lesser retention. Ages ranged from 18 to 31 in the new employees group, and 21 to 58 among those already employed. A large percentage, but not all, were non-whites. Some were school dropouts. They had worked as carhops, dishwashers, and laborers—all jobs with a minimum growth potential. For many of them it was their first exposure to a major industrial environment.

Two BFE instructors (there are now four) were assigned the first group of 27 trainees under the program. They brought with them a uniform concern for teaching and a genuine desire to be of help to others. All had backgrounds in social work and counseling. Since they were recruited locally by BFE, each also had some feel for local conditions and some awareness of area problems. Most important, each appreciated and understood the philosophy under which they were to teach. The method's essential elements are these:

1. Elimination of the competitive classroom situation that causes students such as these—already the recipients of too much failure—to doubt their abilities, thus inhibiting their thinking.

2. Symposium-style classes with every one looking at faces, watching eyes, catching facial expressions, and understanding a speaker's use of his hands as he talks. "No one is looking at the back of anyone's head," is the way one BFE instructor put it, so that communication is personal and highly animate.

3. Individual involvement, every class session, with the teacher acting more as a moderator and the students teaching one another.

4. "A success every day, no matter how small or insignificant it may seem to someone else." Here the instructor plays perhaps his most important role—that of reassuring the trainee on a regular basis that he is making progress.

5. No presuppositions about the student's mental ability or academic status, thus permitting him to start where he is with what he has. As he successfully completes the work for each class period, he can bypass material that he already knows and review lessons that he did not retain.

6. High-interest material that focuses the student's attention on everyday adult situations.

THE TRAINING PROGRAM

Once a trainee has been selected, he moves into a specific work category that will in some way benefit the company, usually a job that gives him a feel for an industrial environment and acquaints him with the company's way of doing things, its products and philosophy, and its over-all objectives. As a worker who, because of poor background, could not meet normal entry-level requirements, the new employee goes into one of five programs:

Trade Trainee: a program that prepares individuals to qualify for the skilled trades as apprentices or by direct on-the-job training in the field.

Trade Handyman Trainee: a program that prepares people to qualify as handymen in the skilled trades field.

Production Handyman Trainee: a program in which men gain experience to qualify for production or service-type jobs.

Laboratory Trainee: a program that prepares men for qualification as assistants in one of the company's many laboratories.

Construction Trainee: a program that provides on-the-job training in work related to the construction trades.

In the first two categories, trainees undergo five weeks of "hands-on" instruction before their assignment to either program. During this period they become familiar with hand tools and simple machine tools by doing real work in a real shop environment under the direction of three vocational training instructors. Their output, after the first introductory project is used just like anything else machined in the plant, and the same degree of quality expected of all company products is required. The teachers know their fields by having worked at them; their qualifications are measured not by degrees but by expertise.

The trainees spend six of their eight work hours daily at these on-the-job activities. For the remaining two hours a day, five days a week, the workers turn students. On company time they learn the three R's, starting in wherever their often limited schooling left off. Because of this, the program may vary anywhere up to 120 hours of classroom instruction per student for each of two levels of instruction.

Level I is designed to bring the undereducated adult or older youth from his pretraining test level to fifth grade. This facet of the program entails: (a) a reading section, which builds a sight vocabulary of up to 800 words and a usable vocabulary to upwards of 3,000 words; (b) practice reading selections taken from adult experiences, including selections from the *Reader's Digest* Science Series; and (c) an arithmetic section that teaches addition, subtraction, multiplication, and division in a vocabulary that is integrated with that of the reading section and oriented toward industrial experience.

Level II starts where Level I left off, working up to the 8th-grade level and beyond. Included are: (a) an expansion in usable vocabulary to upwards of 7,000 words; (b) basic mathematical instruction that teaches the student to solve problems using fractions, decimals, percentages, and graphs; and (c) examples and lessons that seek to foster principles of good citizenship and effective economic planning for the family.

Underlying both levels, and providing the self-involvement so necessary to motivate the undereducated individual, is the "learning team" concept, which permits the more advanced student to share responsibility for teaching the slower student. Besides helping the less able trainee, this experience provides leadership opportunity and training for many who have never acquired these necessary skills.

EMPLOYEES ALSO PARTICIPATE

Not all those limited in job preparation are from the ranks of the "unemployables." Some, because of foreign birth and the consequent language difficulty they encounter in coming to a new land, find themselves handicapped in their opportunity for career advancement by lack of fundamental communications skills. To compensate for this inequity, the BFE program was also made available to regular, full-time personnel of Eastman Kodak Company. Already, 44 such people, among them some with as much as 15 years of service, have graduated from one or another phase of the program, and still others are presently enrolled. These workers also take the prescribed reading and arithmetic tests to determine placement in the program. So they can get the full benefit of the program, the students still are offered up to 120 hours of instruction for each of the course's two levels.

ENCOURAGING RESULTS

Since the program was begun last fall, 152 people have qualified for some or all of the instruction offered by the company. Two classes—a total of 71 persons—have "tested out" and gone through the commencement exercises that accompany successful completion of the program. Preliminary results are encouraging; the program's future looks promising.

Taking the two groups—new trainee and regular employee—separately, results at the conclusion of training indicate:

Training Group.—with ages ranging from 18 to 31 and an average age of 23, showed improvement varying from 0.0 to 5.9 years in reading level, with an average reading level improvement of 1.4 years. Arithmetic improvement ranges from 0.4 to 5.2 years, with an average improvement of 3.0 years.

Regular Employee.—with participants ranging in age from 21 to 58 and an average age of 38, demonstrated progress varying from 0.3 to 6.2 years improvement in the reading level, with an average reading level improvement of 2.7 years. Arithmetic improvement varied from 0.0 to 8.2 years, with an average improvement of 4.0 years.

OTHER CRITERIA

In addition to "before" and "after" testing, other means were used to assay the worth of the program. The company had expected some problems in bringing people in from an environment where regular employment was not the norm and expecting them to quickly adhere to good attendance standards. There have been problems, but they have not been insurmountable. Lateness and absence problems have occurred, but they have been corrected by individual counseling, resulting in an over-all attendance picture that is better than might normally be expected. Considering such factors as the draft age of many of the participants in the program, the drop-out rate has been reasonable—less than 25 per cent.

Supervisory comment provides another gauge of the effectiveness of the program. Foremen who have men taking this instruction comment that they have noticed marked changes in attitude and over-all performance on the job. The trainees adjusted well to the work they were assigned and generally gave a good account of themselves. Occasionally, performance standards would slip, but offenders almost invariably responded well to counseling.

The three R's may seem out of place in the swirl of specialized training activities that go on nowadays in much of American industry. Still, the need exists for both trained and trainable workers, and perhaps industry, which each year takes in tens of thousands of new workers, is equipped to help solve at least part of what is both its own and the nation's growing problem—providing the necessary skills to man an increasingly complex industrial base.

Comments from instructors in the program add a human dimension to the discussion. Says one: "In the classroom we don't want to teach to empty chairs. We want something to happen between the ears. And believe me, when you give a person that second chance, he's not about to throw it away." Another instructor says: "The first week or so of classes in our program, some students hang around outside the classroom. They are not sure of themselves—because they remember the failures they experienced in their previous schooling. They don't know why they are there, and they visualize all sorts of horrible things, until they realize that they will learn here—where they didn't before—because they now want to learn."

Anything that enriches the life of one member of society helps society as a whole.

In this instance, men are learning to read and write. Later, they will be taught vocational skills to match their basic abilities. Along the way, they will pick up the more important skills of living that enable each of us to function in some meaningful manner—on the job, or off—and with some significant measure of achievement and individual dignity.

Regardless of the value of this program to the company—and it has been substantial—this is in itself a worthwhile accomplishment.

BALANCING OUR NATIONAL INTERESTS

Mr. KUCHEL. Mr. President, every American is acutely aware of the fact that many demands currently are being placed on the financial resources of this country. The awesome burden of financing a war thousands of miles away plus the growing demands of our domestic needs continue to strain our economic stability. The administration, in the hope of limiting a dangerously expanding budget deficit, now is proposing an extensive tax increase.

Today, more than ever before, the administration and the Congress have a responsibility to apply sound fiscal restraints where possible. But, at the same time, we cannot afford to recklessly cut any more than we can afford to recklessly spend. Programs which affect our national interests must be scrutinized carefully lest we carelessly sacrifice the future health of our Nation.

It has long been the established policy of this Nation that programs aimed at the exploration of space are inherently related to the national interest. Since the anxious days of Sputnik I, America has been engaged in a sometimes bitter and competitive struggle to be the first to reach the moon and explore the vast recesses of our universe. This Nation has an outstanding commitment and investment in this effort which must not be dismantled. Over $40 billion have gone into our space efforts—a substantial national investment dedicated to achieving certain announced objectives in space exploration: it involves jobs; it involves the economic stability of communities dependent on the aerospace industry; it involves an accumulation of knowledge and technology which can serve man not only in the conquest of space but in the achievement of peaceful goals here on earth.

For these reasons, I was greatly concerned over the recent action of the House of Representatives in substantially reducing appropriations for the National Aeronautics and Space Administration for fiscal year 1968. Of particular concern are the provisions which completely eliminate funds for programs involving advanced missions and the new Voyager project. The House also substantially reduced the funds aimed at continuing the effort to develop nuclear rockets. I do not quarrel with the fact that the financial burdens of our Nation may require a scaling down of various space projects, but I do question discretionary legislative action which may well jeopardize the very existence of such projects and with them, the investment and initiative which America has in a strong space program.

The Voyager program, for example, has been labeled by NASA as one of mankind's "most exciting endeavors in the search for knowledge and the exploration of the universe." It is a major new program aimed at placing spacecraft on the planet Mars by 1973. It will provide the first opportunity for man to obtain sufficiently detailed data concerning the planets of our solar system to permit a significant step in the understanding of planets and to apply this information to the earth itself.

In their recent report, the space science and technology panels of the President's Science Advisory Committee strongly recommended that planetary exploration be given a high priority in the post-Apollo period; the combination of the 1971 Mariner flights and the initiation of a continuing, major Voyager program represent effective translation of these recommendations into action. But the work of the House in completely eliminating funds for this program totally ignores these recommendations and further presents a number of serious implications to the Nation.

The deletion of Voyager may well mean a halt to the U.S. planetary program after Mariner Mars 1969; and thus abdication of the program to the Russians, who have launched 17 planetary missions to our five. Deferring action in 1968 means disbanding the Government and industry Voyager teams that have been building up and working for 6 years at substantial cost. To begin anew again in 2 years would involve substantially higher expenditures. Loss of the Voyager project would cost the Nation important technological information; information invaluable not only to future space programs but to such nonspace uses as medical care, education, transportation, resources management, and urban development.

Economically, the loss of the Voyager program will have a serious impact on the Nation, particularly in my own State of California. It has been reliably estimated that California will lose directly up to 4,000 new job opportunities, and indirectly may lose many, many more. With a number of current projects due to expire in the near future, a severe economic and scientific vacuum will afflict industries dependent on space activities. The financial blow alone will deprive my State of an investment of up to $150 million by 1971. These losses will be reflected on the economic picture of every community dependent on the jobs and money stimulated by the aerospace industry. It seems strange that action aimed at supposedly assisting the economy of the Nation may well have the ultimate effect of creating greater instability.

The objective of another NASA program eliminated by the House was aimed at providing a firm foundation for planning and selecting future manned space flight missions. The advanced missions program hoped to study in 1968 methods for updating the current plan for lunar exploration. Again, its deletion in fiscal 1968 will create a severe imbalance in the U.S. space program; one that can be translated into a serious loss of investment, jobs and technology.

The development of the NERVA nuclear rocket engine is an important step in assuring that this country will continue to exercise leadership in the space program in the years to come. The nuclear rocket is a major advance in propulsion capability. It will provide significant payload and operational benefits in a wide variety of possible heavy payload, high energy future missions, including manned planetary exploration. Close to $1 billion has already been put into the project. But the House slashed the recommended appropriation practically in half. Authorities at NASA indicate that there is just enough left to phase out the program itself. Again, in the name of fiscal responsibility, the House has not only undercut an important space program, but it has done so at the cost of hundreds of jobs at such California industries as Aerojet and Westinghouse. The ultimate consequence may well be fiscal irresponsibility.

Mr. President, let me reemphasize that I believe that current economic pressures may well dictate certain reductions in our space program. But we must, at the same time, balance our national interests. In this era of technological competition with every nation in the world, America cannot afford to suddenly and completely eliminate essential space programs nor substantially reduce others. Sufficient funds must be provided to allow, in the very least, for their continuation in the future. The point that must be remembered is that this Nation has invested too much in money, in people, and in technology, to now sacrifice the existence of valuable space programs in the search for fiscal restraints. I am hopeful, therefore, that the Senate Committee on Appropriations will weigh seriously the action of the House and will, in the end, provide necessary funds to continue programs vital to the protection of our national interests.

CHINA-WATCHING

Mr. McGEE. Mr. President, China-watching is becoming an increasingly complex, confusing, and yet popular pastime. For many, of course, it is an essential duty; for others a compelling challenge. Today, more than even before, perhaps, it is a puzzle. China is a puzzle, a picture of chaos. And this chaos makes it difficult indeed to predict with any confidence what the Peking regime might do with regard to the war in Vietnam. Chalmers Roberts, writing in the Washington Post of September 9, recalled the developments which led up to China's intervention in Korea in October 1950, and the underlying premises, largely based on that experience, which have given us some measure of confidence that China would not enter the war in Vietnam.

The question, of course, is whether China, in its present state of turmoil, can be logically analyzed. Perhaps there is no answer to that question, but Mr. Roberts has done an excellent job of framing it.

I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

PREDICTING CHINA: KOREAN PRECEDENT

(By Chalmers M. Roberts)

The other day a Washington-based China watcher in discussing the mounting chaos in the world's most populous nation commented that "it's decreasing my confidence in my ability to predict what they will do." He was referring to the possibility of a Chinese takeover of Hong Kong and to a Chinese intervention in the Vietnam war.

The China watchers, both here and in Hong Kong, have been all but unanimous that Peking's financial gains from Hong Kong precluded any attempt to take over the British crown colony. Likewise, they have stood on the proposition that China will not enter the war as long as American troops do not invade North Vietnam and no attempt is made to destroy the regime of Ho Chi Minh.

In both cases the China watchers have credited the Peking rulers with rationality. It is the seeming irrationality of what is now going on in China which is beginning to shake some of them, though the premise is still official doctrine.

President Johnson is operating on the advice of the China watchers and for that reason he has rejected any thought of a Korean war-type Inchon landing behind North Vietnamese lines to wipe out the threat to the Marines. Likewise he has opposed area bombing in Hanoi where Ho and the other leaders live.

In short, the rule is to do nothing that the Chinese could interpret as threatening their vital interests. It was the mistake of posing such a threat in Korea that led to intervention by Chinese "volunteers," the historians generally agree.

It is worth noting that when the Chinese crossed the Yalu into Korea in October, 1950, the Assistant Secretary of State for Far Eastern Affairs was a man named Dean Rusk. As Secretary of State, Rusk has been quoted as saying that "I was among those who thought they would not come in. I was wrong."

It was Rusk who received the secret dispatch in which the Indian Ambassador in Peking reported, via New Delhi, that the Chinese Army Chief of Staff had told him on Sept. 25 that China would not "sit back with folded hands and let the Americans come up to the (Sino-Korean) border."

There were other warnings, too, though some were not as easy to decipher. Yet the allied forces did drive North and the American Ambassador at the United Nations declared on Sept. 30 that "the artificial barrier which has divided North and South Korea has no basis for existence either in law or in reason."

In late August and again on Sept. 24 the Chinese protested that American planes had violated their border by flying across the Yalu to strafe and otherwise engage in "criminal action."

In the current Vietnamese war the Chinese again have complained of American "intrusions" and have captured at least two American crew members. But there is no sign of any private threat to intervene. Indeed, the bulk of the China watchers believe that the Peking regime has told the North Vietnamese they must win the war on their own according to the doctrine of "wars of national liberation."

Thus in the current war the United States has been careful to admit air intrusions into China, to try to explain them as accidental and on occasion to offer Peking words of apology.

Furthermore, in 1950 the Chinese engaged in a massive redeployment of troops from central China to Manchuria. This occurred during a period of at least a month while China was passing its warnings.

In the case of Vietnam today, American officials have discovered no sign of troop movements and there are far better intelligence devices available than was the case 17 years ago. Furthermore, there is no sign that North Vietnamese forces are being devastated the way the North Korean forces were being destroyed in the march to the Yalu.

Thus it is the Korean parallel, and the steps taken by President Johnson and Rusk to avoid a repetition of the Korean errors, that provides the basis of confidence in Washington that China will not enter the war.

Rusk yesterday referred to the efforts "to move with prudence" but he also said that he could offer no "gold-plated guarantees" of nonintervention. In fact, the scene internally in China is beginning to nag at least some of the China watchers. If the chaos continues, they wonder, will the premises on which nonintervention has been built remain valid? The answer today, at least for some, is beginning to reach the "yes, but—" stage.

OPTIMISTIC STATEMENTS ABOUT THE WAR IN VIETNAM

Mr. FULBRIGHT. Mr. President, an interesting—perhaps incredible is a better word—juxtaposition of two articles occurs in the August 5 issue of the New Republic magazine. The first, entitled "Keep the Faith, Baby," is a brief partial catalog of various optimistic statements made about the war in Vietnam by Secretaries Rusk and McNamara from February 1963 through July 1967. I am always amazed, when I read the statements made in past years, how similar the encouraging words we hear now are to the encouraging words we have heard before—before thousands of Americans were being killed in action every year.

The second article—which stands in sharp contrast to the statements of the Secretaries of State and Defense—is entitled "A Kind of Coexistence With the Vietcong." Written by Francois Sully, it describes the situation in a district capital only 35 miles northeast of Saigon in war zone D which, according to Sully, "is Charley's more than ever."

Is Mr. Sully talking about the same war as Secretary Rusk and Secretary McNamara? I ask unanimous consent that the texts of both articles be printed in the RECORD, to show why I raise the question.

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

[From the New Republic, Aug. 5, 1967]

KEEP THE FAITH, BABY

Dean Rusk, February 1, 1963: "There are some definitely encouraging elements. The ratio of casualties between Government and Viet Cong forces, the ratio of arms captured or lost between the two sides, the steady extension of the strategic-hamlet program, the increasingly effective work of the Montagnards along the border areas—all those indicate some turning in the situation."

Dean Rusk, February 13, 1963: "The momentum of the Communist drive has been stopped."

Dean Rusk, April 18, 1963: The South Vietnamese themselves are fighting their own battle, fighting well."

Dean Rusk, April 22, 1963: "There is a good basis for encouragement. The Vietnamese are on their way to success and need our help; not just our material help—they need that—but our sympathetic understanding and comradeship."

White House statement, October 2, 1963: "Secretary McNamara and General Taylor reported their judgment that the major part of the US military task can be completed by the end of 1965, although there may be a continuing requirement for a limited number of US training personnel."

Dean Rusk, November 8, 1963: "We believe that the present [Saigon] regime has moved promptly to consolidate public effort, that they will be able to resolve some of the internal difficulties that grew up, and that there will be a possibility that the people of that country will move in greater unity on behalf of the total effort."

Dean Rusk, February 24, 1964: "I think the resources and capabilities are there to get this job done on the present basis of assistance to the Vietnamese so that they themselves can handle this problem primarily with their own effort."

Dean Rusk, July 1, 1964: "I think they [the Viet Cong] have very serious problems—not only in fact, in terms of losses, disruptions, but in terms of morale. So I am not pessimistic about the situation."

Robert McNamara, November 19, 1963: ". . . Small numbers of the US personnel will be able to return by the end of this year."

Robert McNamara, February 3, 1964: "I am hopeful we can bring back additional numbers of men. I say this because I personally believe this is a war the Vietnamese must fight. . . . I don't believe we can take on that combat task for them."

Robert McNamara, May 14, 1964: I think on balance the number [US training personnel needed in Vietnam] is not likely to increase substantially."

Robert McNamara, November 30, 1965: "The most vital impression I'm bringing back [from Vietnam] is that we've stopped losing the war."

Dean Rusk, August 25, 1966: "We are beginning to see some signs of success of this strategy. The Viet Cong monsoon offensive, which we know from captured documents it was their intention to carry out during the period of May to October, has not materialized because of Westmoreland's tactics of carrying out spoiling operations based on intelligence he has received as to concentrations of Viet Cong. . . . The number of defections this year has doubled compared to the past year. No doubt this is a sign of erosion of morale."

Dean Rusk, January 1, 1967: "I do believe that one basis for optimism is that the other side must surely now understand that they are not going to succeed in seizing South Vietnam by force."

Dean Rusk, April 16, 1967: "I think we have seen some very favorable signs that we are making headway on the military side, but that does not mean that the war is just about over. . . . I must say that I have been impressed by the doubling of the rate of defectors from the other side."

Gen. Westmoreland, July 13, 1967: "During the past year tremendous progress has been made. . . . We have pushed the enemy farther and farther back into the jungles. . . . The ARVN troops are fighting much better than they were a year ago. . . . The number of defectors coming into the government has substantially increased. The ratio of enemy personnel killed to those killed by the enemy continues to increase. . . . It has doubled during the past year. . . . We have succeeded in attaining our objectives. . . . The enemy has not won a single, significant victory during the past year, despite the tremendous effort that he has put forth."

President Johnson, July 13, 1967: "Suffice it for me to say that we are generally pleased with the progress we have made militarily. We are very sure that we are on the right track."

Dean Rusk, July 19, 1967: "The other side is hurting, and they are hurting very badly."

Robert McNamara, July 21, 1967: [Since

last October] "substantial progress has been made in the political, economic and military area."

[From the New Republic, Aug. 5, 1967]

THIRTY-FIVE MILES FROM SAIGON: A KIND OF COEXISTENCE WITH THE VIETCONG

(By Francois Sully)

PHUOC VINH.—Only 35 miles northeast of Saigon, War Zone D is perhaps the oldest Viet Cong stronghold in South Vietnam. It sprawls over 700 square miles of uninhabited tropical forests and thorny bushes contained on three sides by the swift Song Be and Dong Nai Rivers, by abandoned highway 14 on the other. The humid fastness of War Zone D has been a training area for Viet Cong guerrillas recruited from the densely populated Mekong Delta provinces. Viet Cong battalions in the area have periodically raided South Vietnamese district capitals on the periphery of Zone D. Two years ago this month, the Viet Cong nearly captured the Special Forces camp at Dong Xoai, on the northern fringe of Zone D.

Fifteen years ago, the French carried out infantry sweeps in the same area. Five years ago, it was South Vietnamese paratroopers. Today, it is the turn of American heliborne troops, with the same results.

On July 27 guerrillas used a new rocket against Phuoc Vinh. This June, Phuoc Vinh was mortared for three consecutive nights and 17 helicopters were damaged on the 1st Brigade's airstrip, following which a Special Forces "Sigma Company" got into a vicious scrap with two Viet Cong battalions 20 miles north of Phuoc Vinh which were protecting the base camp of the battle-hardened Viet Cong 271st Regiment. It managed to extricate itself after losing the best part of a platoon of Cambodian and Chinese mercenaries. Colonel William B. Caldwell III, who commands the 1st (Black Spade) Brigade, says: "This has been Charley's country for a long time."

I helicoptered to Phuoc Vinh and hardly recognized the once sleepy provincial capital that I had visited five years ago—when no American soldier was in sight. To reach Phuoc Vinh by car in 1962, I had talked my way through a Viet Cong checkpoint. Only 500 yards away, a Vietnamese 5th Division convoy rumbled along a dirt road in vain pursuit of the enemy. Today, the surrounding War Zone D is Charley's more than ever. No one, unless he has a strong heart and is willing to pay a Viet Cong toll fee of 1,000 piastres ($8.50), rides Road 16 to Saigon anymore. Every month or so, the 1st Brigade sends troops, tanks and artillery to reopen the road for its convoys—a major operation involving four to five battalions of U.S. infantry, for the Viet Cong Phu Loi battalion is nearby. Blown-up bridges are repaired for the day.

An airstrip large enough to accommodate noisy four-engined C-130's and the helicopters of an army aviation battalion known as "The Vultures" has been built by U.S. army engineers at Phuoc Vinh. Even Air Vietnam's vintaged C-47's occasionally land here with officials and rice. The well-laid-out camp of the "Black Spade" 1st Brigade covers acres of red soil. There is a medical company, an ice plant, a U.S. army community center staffed by two pretty American girls and a Red Cross worker; and even a brigade radio station, manned by 22-year-old Mike Papale, a former disk jockey from San Antonio's KONO radio station. The hit tune among Phuoc Vinh's 5,000 healthy servicemen is "No Good to Cry" by the Wild Weeds. The half-dozen young Vietnamese waitresses passing excellent hamburgers at the officers club are well coiffed, flirtatious. Some, such as 18-year-old Le Nghi, are daughters of local hamlet officials. They earn twice as much, serving Americans, as their fathers serving the Saigon government. Of the 15,000 Vietnamese in the district (45 percent Catholics), 700 work for the Americans at such good wages that nearly a thousand plantation workers idled by the "accidental defoliation of their rubber trees by American aircraft have applied for work. Every day, the US medical company treats, free of charge, 40 Vietnamese patients.

Phuoc Vinh has been downgraded to the status of district capital, presumably because most of the surrounding real estate is controlled by the Viet Cong. A new officer, the short, stocky Major Luu Yem, 38, rules over the district with the help of some 800, rather passive provincial troops. Three of the largest hamlets a few miles south of Phuoc Vinh are under Viet Cong administration.

Not long ago, the Americans at Phuoc Vinh were alerted by a Vietnamese sergeant that guerrillas were roaming around the key bridge spanning the Song Be River, five miles south of Phuoc Vinh. The sergeant then hurriedly returned to the bridge to command his own men. Twenty minutes later, an American platoon dispatched to the scene discovered the sergeant on the bridge, his throat nearly severed by a knife. Evacuated by "dust-off helicopter to the nearest US army hospital, the Vietnamese sergeant, fearing for the life of his wife and children, refused to say which of his own men tried to kill him. American officers are reconciled to the fact that in the nearby village of Binh Co, the local ARVN outpost coexists with Viet Cong officials who rule the villagers. Said one US officer, "A status quo of sorts has been achieved and the hamlet does not give us trouble."

Tan Binh, largest hamlet of the district with 2,534 inhabitants, remains under Viet Cong control, and no effort is made to change the situation. American officers never leave camp without an armed escort and have little contact with Vietnamese who are not camp followers. Small groups of guerrillas ring the camp at night, laying an occasional claymore mine or a booby trap on tracks traveled by US sentries manning the listening posts. Only the Catholic villages immediately west of Phuoc Vinh are considered "pacified."

To earn the goodwill of villagers, the brigade's S-5 (civil affairs) officer provides rice and financial assistance to six local Vietnamese priests. Avoiding partisan politics, the brigade—at the suggestion of the district chief—has pledged its assistance to the construction of a large Buddhist temple. But the resident Buddhist monk seems to expect that Americans will do the work themselves. Says Captain Larry Walton, 35, from Columbus, Georgia, the brigade's able civil affairs officer, "The locals expect our aid as something due to them. They are not grateful for it. They fight among themselves every time we distribute relief commodities."

Still Phuoc Vinh has changed. A new ville with broad, if unpaved, avenues lined by freshly painted shops has sprouted from the ground. Every evening after chow, when the brigade is not on an operation, the ville is invaded by hundreds of young GI's staggering from one beer parlor to the next. For the more sophisticated there are fairly good restaurants (German, Chinese and French food), spanking new barber shops with manicure attendants, steam baths and even pretty masseuses. There are tailor shops, laundries and bazaars filled with the wares that soldiers in the field need; from boot polish to bright red Vietnamese candles. Some shops are owned by local officials' wives, but business is so brisk that Chinese merchants from Saigon have flocked to Phuoc Vinh. No one is more apprehensive than Phuoc Vinh's shopkeepers when the GI's leave their camp to fight the Viet Cong. As one put it to me, "I might lose some good customers."

Without the arrival of a US brigade, Phuoc Vinh undoubtedly would have been abandoned by the Saigon government—as other positions in the nearby Zone D have been. On the other hand, it is difficult to see what the preservation of Phuoc Vinh as a government-held enclave contributes to the war.

The great majority of Vietnamese officials have never been there, have no desire to go. The rubber plantations are deserted. The lumber trade is moribund. To become a camp follower or a Viet Cong seems the only choice offered the peasant. Security in the countryside is making no progress, mainly because Americans cannot be everywhere at the same time: in the villages and in War Zone D. American officers must choose between pacification and large-scale mobile operations against Viet Cong regiments and battalions. There will never be enough Americans to accomplish both missions concurrently.

SOYBEANS IN THE BRIERPATCH—ADDRESS BY SENATOR McGOVERN

Mr. MONDALE. Mr. President, last month the distinguished Senator from South Dakota [Mr. McGOVERN] made an extremely important and knowledgeable address to the National Soybean Processors Association meeting in Boyne Falls, Mich.

As a former director of the food-for-peace program under President John F. Kennedy, and as a presently acknowledged leader in agriculture in the U.S. Congress, Senator McGOVERN's views and insights are most instructive and valuable to the rest of us who serve in Congress. I ask unanimous consent that his remarks be printed in the RECORD.

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

SOYBEANS IN THE GOVERNMENT BRIERPATCH

(An address by Senator GEORGE MCGOVERN, Democrat, of South Dakota, before the National Soybean Processors Association, Boyne Falls, Mich., Aug. 7, 1967)

It is indeed a personal pleasure to meet with you in such pleasant surroundings. I'm honored that you are interested in the views of a Senator from a state which is relatively small in soybean production and which does not have a single processing plant. Noting the rapid expansion of your industry and the new plants going up all around, I've been hoping that one of you, or some newcomer, will be putting in a large soybean mill in South Dakota.

My state however, does have a splendid growth record—beyond the national average in soybean production. South Dakota climbed to 346,000 acres in 1966—more than double its 1960-64 average and increased to 370,000 acres in 1967.

Ahead of us is an even greater growth pattern for the soybean industry.

When I accepted your invitation some time ago, I picked up the then-current Outlook Issue of USDA's Fats and Oils Situation, and after looking at the optimistic forecasts, naturally concluded this would be an unusually easy assignment. I would be speaking to you at the end of another record year with new records for production; for processing; for consumption and for exports. With, I might add, a happy industry and happy government officials. Thus, it appeared that my task today would be easy, pleasant and mostly one of extending congratulations to one and all.

Later, as I began to make some mental and a few paper notes and to hear from some of you in trade and government circles that all was not as well as USDA—and some others—had predicted. Far from it. The more

I inquired and as time passed the worse it seemed to get!

Now this is not to imply total unfamiliarity with the soybean industry. I recall with a great deal of pleasure our association during the time of my service as Director, Food-for-Peace, on the staff of President Kennedy. Soybean oil and products were a bulwark in our efforts to feed hungry people abroad. You were then also selling large quantities of soybean oil abroad for dollars.

It is, I think, excusable for me to rely on the official government estimates in appraising a situation. In any event, I did accept them. I hear that so did too many others around the world including perhaps too many farmers who held their soybeans for too much for too long. I know you who contend for free markets will certainly justify the right of the farmer or of any nongovernment buyer or seller to exercise his right of market judgment for loss, or profit.

I would like to make it abundantly clear that there is no question as to the honesty or integrity of these estimates. After all, they are only estimates and conditions do change. I found that the major change had been the emergence of Russian sunflower seed oil as a really large supplier to many importing countries.

So there will be no misunderstanding, the USDA estimates I'm referring to called for a 585 million bushel crush, 275 million bushel exports and a nominal year-end carryover of about 50 million bushels of soybeans. These have, as you know, been successively reduced for both crush and exports. The latest estimate is for a 100- to 110-million-bushel carryover. From all I've heard, this too, may be overly optimistic.

It might be well to note that the "early season" estimates were published in mid-November. Also, that for the first time in some years, USDA did not present or publish its estimate of oil exports. I can only conclude that those charged with the responsibility of estimating the 1966–67 crush and exports were operating under a real handicap.

A little arithmetic gives, I think, a good comparison of the decline from unwarranted optimism to reality. Actually, it doesn't sound too bad when you say that the crush and export of soybeans is going to turn out to be only 7% or 8% under early season estimates. However, it becomes startling when translated into the fact that actual carryover is going to exceed the estimate by 100%, or more, and much of this carryover will be locked up in farm reseal by farmers and by a minimum CCC resale price of $2.36 per bushel in this month of August. It is also startling to note that the variance in crush and exports at the loan rate of $2.50 is somewhere between $150 and $200 million.

This must be a matter of grave concern to you, to farmers and to those of us in Congress interested in the welfare of the miracle growth crop, the farm economy, and U.S. balance of payments.

Secretary Freeman said recently that the two basic goals of farm policy are, "Better income for farmers. Balanced abundance for consumers. . . . A farm policy which sought one and not the other would be unrealistic. A farm policy which achieved one and not the other would be a failure."

Whether the current and indicated soybean situation is a failure under this definition is for each of us to reach his own conclusion. I certainly do not think it can be pointed to with pride as a success.

Perhaps I should again note that the really large quantity of Russian sunflower oil thrown on the market may have been an unforeseen factor and one on which no factual data were available when the estimates were made, or when price support and resale decisions were made. It is nevertheless clear that soybean products have been denied the flexibility to meet this challenge in world markets. This crop year the USSR has obtained nearly $100 million in foreign exchange from sales of sunoil and we all know with complete certainty this is not being used for the benefit of the free world, or for the benefit of the United States.

Let me now outline some of the reasons I think things went wrong in 1966–67. These are important, not to place responsibility or to criticize, but to prevent similar mistakes in the future. Fortunately, the mistakes are man-made and, as such, are subject to correction. I'm quite aware that in the immediate future, we all may be faced with choosing the lesser of several evils.

Disturbing to me and no doubt to others primarily concerned with the welfare of farmers was the well-known concern of the Administration early in the year that soybean oil and other farm prices might rise. Food-for-Peace oil shipments were just about halted. When issued they were handled on a piece-meal basis. I wonder if any of those taking such action ever paused to consider first that soyoil after literally years of depression had barely risen to the price ceiling levels of World War II. Or if they considered the equally important fact that when oil goes down, meal usually goes up. It did. Insofar as consumers are concerned, a meal price rise equivalent to an oil price decline can have a double-barreled effect on the cost-of-living index. This is true in the case of the dairy industry—one of your good customers for soybean meal. On the one hand, the policy to push down soyoil prices made for cheaper margarine in competition with butter. On the other hand, it pushed up the price of soybean meal which the dairyman buys.

With a soybean crop of 930 million bushels and with a processing industry operating far under capacity, I do not see how officials could conclude Food-for-Peace activity would unduly increase oil prices. It is much more logical to conclude that more oil exports would have led to more crush, to more soybean meal availability. In my judgment, and I concede it is now hindsight, the present difficult soybean situation might have been avoided by maintaining rather than cutting back oil export volume.

Recently, in my preparations for this speech, I read a copy of Pete McVay's U.S. Report to the IASC Congress. I commend it for careful study by each of you and by all of our government policy makers.

Certainly we do not want soybeans to go down the cotton road. Use of urea for feed has grown to where it is now equivalent to the meal from somewhere near 100 million bushels of soybeans, or the product of about 4 million acres. Terming urea "rayon feed" is appropriate and I would think this would register most strongly in the Cotton Belt where synthetic fibers and foreign competition have dethroned King Cotton. We do not want soybean products to follow the cotton path, but to regain and maintain their growth pattern.

Soybean products need to be hard competition in world markets. There is no reason why this country should hold another price umbrella over the world to foster and expand competitive production abroad. We should not be losing our dollar markets to Russian sunflower oil. We should not lose markets far from Europe to European soyoil produced from U.S. soybeans. Economics do not permit this and farm policies should not. It could be due to freight rates, to cartel operations abroad, or farm policies, or to a combination of these causes.

I understand your industry has called this situation to the attention of USDA—forcefully, I hope—and that you have offered full cooperation in seeking practical solutions which will benefit your industry, soybean farmers and farmer-feeders who have also been unduly penalized by too-high prices for soybean meal.

Aside from logic and rightness, I must admit to some concern over soybean meal prices because South Dakota is a large buyer of soybean meal.

Reaching a long-term solution is now going to be complicated by the Kennedy Round reduction in U.S. import duties. Slashing the relatively low tariff on sunflower oil by 50% can only add to the problems of the soybean industry, the cottonseed industry, and of the infant U.S. sunflower industry.

In closing, let me revert to the price of soybeans. We must have profitable farm prices. It may become necessary to develop a two-price system, as we have in wheat, feed grains, cotton and other commodities to maintain an adequate farm return and protect our dollar markets abroad. Prices to farmers can, if need be, be maintained by direct payments. Farm income can be handled by CCC oil buying, which could support price while permitting reasonable soymeal costs to feeders. Means exist for correction.

I know there has been some breakthrough on soybean yields and that your association is spending $500,000 on agronomic research to help improve farm per-acre returns. For the long-term, there are good prospects that soybean yields and improved per-acre soybean income will be attained at price levels permitting soybean products to return to hard competition in the world market place on their own.

No one can forecast with certainty when we will attain this happy state. I think in the meantime, we should use the tools at hand to restore soybean products to a competitive level.

This involves immediate government purchase of soybean oil. Meal will take care of itself. You should crush well over 600 million bushels in 1967–68. The oil purchased would be in addition to the charitable donations programs which I am proud to have had a hand in inaugurating, and could be used under Food-for-Peace programs, or sold in normal U.S. export markets at world market price.

Such an oil program promptly inaugurated could even correct the situation before the new crop and serve timely notice on some competing areas that the U.S. umbrella has been lowered.

In making this suggestion, I am not unmindful that soybeans have the lowest oil content of any oilseed—or if you prefer, the highest protein yield. This offers us a powerful lever against other competitive oil production, and an especially useful supply for the War Against Hunger which, in a very large part, is a war against protein deficiency which traps and locks the people of whole nations in a vicious cycle of malnutrition, illness and lethargy, and consequent inability to fight their own way unaided to a better economy and a better life.

ALF LANDON CELEBRATES 80TH BIRTHDAY

Mr. PEARSON. Mr. President, last month the National Educational Television Network broadcast a special interview with Alf Landon from his home in Topeka, Kans. Earlier this year, CBS Television broadcast a similar interview program. Within the past year, Mr. Landon has been the subject of national magazine articles. Last year Kansas State University at Manhattan inaugurated the Alf Landon lecture series. This program has already brought to the campus at Kansas State the major political figures of the Nation.

Mr. President, this type of attention, these tributes, is not particularly unusual, for it is often customary for us to pay tribute to a figure such as Mr.

Landon at this stage in his life for his past accomplishments. However, in this particular instance much more is involved. Although his past contributions are taken note of, this current attention to Mr. Landon is primarily because of his activities and contributions he is making today, and those he will be making tomorrow.

Mr. Landon has not sought public office since 1936, but he has never retired from public life. He has continued to contribute to the national dialog on the great public issues of the day. Most recently he has broken new ground with his discussions of American foreign policy, and he has continued to show originality and understanding of domestic issues such as those involving labor-management relations.

Thus, Mr. Landon receives this attention by the national news media primarily because of what he is saying and doing today. And it is particularly because of this that I want to call to the attention of my colleagues here in the Senate that Mr. Landon celebrated his 80th birthday on this September 9, and to take this opportunity to publicly wish him many more such celebrations.

ELECTION REFORM ACT OF 1967

The Senate resumed the consideration of the bill (S. 1880) to revise the Federal election laws, and for other purposes.

Mr. CURTIS. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). There is not a sufficient second.

Mr. CURTIS. 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. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LONG of Louisiana. Mr. President, I ask for the yeas and nays on the Curtis amendment.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the rollcall vote on the Curtis amendment occur at 15 minutes before 2 o'clock this afternoon.

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

Mr. BYRD of West Virginia. Mr. President, now I ask unanimous consent that the pending amendment be temporarily laid aside.

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

Mr. YARBOROUGH. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. YARBOROUGH. Mr. President, my amendment reads as follows:

On page 25 of the bill, renumber Section 214 to 214(a), and insert:

"Section 214(b). In case of any conviction under this Act, where the punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only, and shall not carry with it a loss of citizenship."

Mr. President, this is almost universal law in the State courts under the State criminal system, but in Federal courts where a person may be convicted and fined only, if someone unwittingly violated the law on elections and pled guilty and paid a $50 fine, unless he had a very astute criminal lawyer as his counsel, he would not realize that he was losing his citizenship. He would lose it, and could have it restored only by the President of the United States, in person, signing a pardon.

I have been in the Senate for 10 years and I have known of only one unusual case of a person pardoned by the President. This man had committed an offense when he was a youth of 19. Since that time he had become a pillar of the community, an officer in many businesses; yet, only when he was 78 years of age was it possible to get him pardoned. They probably thought he was so old that he would not be able to commit any more offenses, so he was pardoned.

Mr. President, I think that our Federal criminal law system should be entirely overhauled in respect to the severe continuing punishment following a conviction. This is a great injustice in comparison with the system prevailing in the States. I hope that the distinguished Senator from Nevada, the Senator in charge of the bill, will accept my amendment.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. LAUSCHE. I subscribe to the views just expressed by the Senator from Texas.

In my 10 years of service as Governor of Ohio, I was constantly pained by applications which came to my desk from young men who had committed a transgression early in their lives and then lived in rectitude and decency but found hanging over their heads this deprival of their citizenship rights.

Their letters to me would state something like this:

When I was 19, I committed a felony. I am now 40 years old. I have lived a clean life. I have a wife and children. Yet I am still labeled as a disqualified citizen, deprived of my citizenship rights. Will you help me get a pardon?

Mr. President, that burden was with them until their death unless the Governor granted them a pardon. I have always felt that it was wrong, that there should be rectification of this kind of injustice.

It is my understanding that what the Senator from Texas is urging is in conformity with what I have just described to be a social wrong committed against someone who is forced to carry this black mark on his character until his death, or until a magnanimous Governor granted him a pardon.

I am happy to subscribe to the amendment of the Senator from Texas.

Mr. YARBOROUGH. I thank the distinguished Senator from Ohio. My experience came from being a district judge—a trial judge—in my State, in Austin, the State capital, in a court having both civil and criminal jurisdiction where felony cases were tried.

Mr. COOPER. Mr. President, will the Senator from Texas yield right there?

Mr. YARBOROUGH. I yield.

Mr. COOPER. Does the Senator's amendment apply to every section——

Mr. YARBOROUGH. Every part——

Mr. COOPER. Relating to penalties in this act?

Mr. YARBOROUGH. To every part of the bill, if there was no imprisonment. It would be treated as a misdemeanor and not as a felony and a man would not lose his citizenship.

Mr. COOPER. Would the amendment change the penalties in the bill?

Mr. YARBOROUGH. It does not change that at all. It does not change the degree at all. But if a man is fined only, that is the total penalty. As Federal law now exists, he could be fined $25 and find out that he had lost his citizenship, which could be restored only by a pardon from the President, which is a most difficult process.

Mr. COOPER. I am not going to object to the amendment, but I would hope that in conference it might not be accepted with respect to section 611 on page 7 of the bill, dealing with contributions by Government contractors, by the payment of money or the promise of money to candidates.

I believe that should remain.

Mr. YARBOROUGH. Well, as to corporations, they do not lose their citizenship, anyway.

Mr. COOPER. Corporations?

Mr. YARBOROUGH. As to corporations, it would not apply, because they do not lose citizenship, of course.

Mr. COOPER. That section applies to everyone. I am not saying this will be done, but I do make that comment.

Mr. YARBOROUGH. A corporation does not lose its citizenship, whereas a natural person does. In Federal courts in Texas, I recall defending a corporation which had been indicted and brought into court with all the possible penalties to be inflicted—it would be, say, a vast amount, but then someone from Washington came down and offered to settle it for $250. My client did not want to do it. They wanted to plead not guilty. I told the corporation how long the trial might take and how many thousands of dollars it would cost, but that they could get off with the levy of a fine of $250 only. They did not like that, but I did not want them to have me charging them $5,000 defending a case for 2 weeks, and so I recommended that they do it, and they paid the $250 fine. That was all right. But if it had been a natural person, I could not have let him do it because he would have lost his citizenship. Remember, I am talking about a natural person

losing his citizenship, not a corporation. That is a great injustice being done at this moment. We need a complete overhaul of our Federal criminal system. I say, let us start with this and make it part of the pending bill.

Mr. COOPER. I understand what the Senator is trying to do. I remember his speech of yesterday. I think he is correct in saying that such a strict penalty as losing one's citizenship would make it difficult to get a conviction. I also understand what the Senator proposes today in offering his amendment providing that in certain cases conviction, under one of these penalty sections, would not bring about the loss of citizenship.

I am saying that there is one section to which I have referred, section 611, which appears on page 7 of the bill, that deals with contributions by persons, whether they are individuals or corporations, to candidates or parties for the purpose of influencing them. That has been the source of corruption, which the Senator knows.

Mr. YARBOROUGH. I agree.

Mr. COOPER. I believe that when persons contribute for the purpose of securing contracts from the Government or influencing the election of candidates whom they believe would help them in securing contracts, that there exists a source of corruption. I hope the amendment of the Senator from Texas is agreed to and that the conference will maintain the position held with reference to section 611.

Mr. YARBOROUGH. I agree with the Senator with what he has said insofar as Government contracts are concerned, but let me point out that if any person gets imprisoned for 1 day, he has lost his citizenship.

My amendment would not change that. If he goes into jail 1 day, he loses his citizenship. My amendment provides that he would not lose his citizenship if he paid an ordinary fine.

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

Mr. YARBOROUGH. I yield.

Mr. CANNON. The Senator's amendment would have no applicability to the general criminal code. Is that correct?

Mr. YARBOROUGH. No; it would apply only to this act.

Mr. CANNON. I am completely in sympathy with what the Senator is trying to do, and I am willing to accept the amendment.

Mr. YARBOROUGH. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS and Mr. McINTYRE addressed the chair.

Mr. JAVITS. Mr. President, I have an amendment to offer. Does the Senator from New Hampshire also have one?

Mr. McINTYRE. No. I have some questions to address to the chairman of the committee on the bill, but I am willing to have the Senator proceed.

Mr. JAVITS. Mr. President, I have an amendment at the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 5, line 18, after the word "services", and again after the word "services", in line 22, insert: "(except as provided in section 204(b)(2) of the Campaign Funds Disclosure Act of 1967)".

Mr. JAVITS. Mr. President, I shall take only a minute, because I think the manager of the bill understands the purpose of the amendment very well.

In examining the bill very closely, we find a contradiction in the terms of the bill which it is evident was not intended. It will be noted that both sections which I intend to amend, subsection (b) (1) and (2), on page 5, make it unlawful for a political committee or candidate to sell goods, commodities, advertising, or other articles, or any services to another other than a political committee or candidate.

When we look at a later section—the one I refer to in my amendment is section 204(b)(2), which is found on page 15—an accounting is required for tickets for dinners, luncheons, rallies, and similar fundraising events.

We must know what we are doing. We are either going to or we are not going to allow political testimonial dinners to be held and require them to be reported as campaign contributions—which I have always done, and I agree it should be done; I have one underway now; that is the generally accepted morality—or we should rule them out. We cannot have provisions in the law which are inconsistent.

I believe a testimonial dinner is a perfectly proper way to obtain campaign contributions, provided they are treated as contributions to a candidate—that is, to report the name of each one who buys a ticket, and not just report the generic amount.

The purpose of this amount is to allow such events to take place, but to require them to be reported as campaign contributions, as provided in section 204(b)(2) of this bill.

The reason for using the designation "Campaign Funds Disclosure Act of 1967," which is this bill, is that the section I am amending is a part of the criminal code, whereas the Campaign Funds Disclosure Act will be a separate act.

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

Mr. JAVITS. I yield.

Mr. CANNON. The Senator is correct. It was not the intention of the bill to include the items on page 15 to which the Senator has referred as being in the same category as those on page 5 under subparagraph (b). Therefore, as I understand the amendment which the distinguished Senator proposes, it would make clear that the items on page 15, subparagraph (b)(2), would be specifically exempted from the provisions of subparagraphs (b) (1) and (2) on page 5.

Mr. JAVITS. That is exactly right.

Mr. CANNON. I am willing to accept the amendment.

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

Mr. JAVITS. I yield.

Mr. COOPER. I seem to be the only member of the Select Committee on Standards and Conduct—better known as the Ethics Committee—present on the floor. This is a matter under the consideration of that committee now. I would like the Senator to explain the nature of the problem to which he is addressing his amendment.

Mr. JAVITS. The problem is that a bar to the selling of goods, commodities, advertising, or other articles or services, as contained on page 5—and the amendment would come after the word "services" on that line, and then thereafter, on line 22—would prevent the holding of a frank, accounted-for political testimonial dinner in which every dollar that is taken in is accounted for. Obviously, the bill did not contemplate any such thing, because at a later section, on page 15, at lines 13 to 15, it calls for an accounting as I have described it, for such functions.

I say the only way to remove the inconsistency is by tying both sections together, which is what I am doing.

Mr. COOPER. Then, the purpose of the Senator's amendment would be to preserve the meaning of the section on page 15?

Mr. JAVITS. That is exactly right. It would require a strict accounting for every dollar collected, the need for which was made clear during the debate on the Dodd resolution. We do not want to outlaw these events. We merely want candidates to account for every testimonial dinner.

Mr. COOPER. It refers only to testimonial dinners for political contributions for candidates. Is that correct?

Mr. JAVITS. That is exactly right.

Mr. COOPER. And then if they are held, under the provisions of the bill the committee or the candidate would be required to report the total of the contributions received through the testimonial dinners?

Mr. JAVITS. He would be required to do more than that.

Mr. COOPER. That is my first question.

Mr. JAVITS. Yes, and he would have to report the full name and address of each person who bought a ticket.

Mr. COOPER. That was my second question. He would include the name of the person who bought the ticket?

Mr. JAVITS. Yes, and it is limited to contributions of $100 or more.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, while I have the floor, may I ask one other question of the Senator from Nevada? We also find a difficulty, which I think we can straighten out. If the Senator will look at the words on page 5, lines 9 to 11, which deal with a contribution to two or more political committees substantially supporting the same candidate, my people are worried now—and I think properly—that what I have defined—and if I am incorrect the Senator can correct me—as an established party committee, part of the regular party or-

ganization, as it is popularly called, might be included under that limitation. In other words, a county committee or a city committee, a regular part of the party organization, might be included.

Mr. CANNON. It is not the intent to preclude contributions to a general political committee that is supporting all political candidates.

If it is a special committee that is substantially supporting the one principal candidate—and incidentally supporting two or three other local candidates—then it would be covered. But where you have a State committee——

Mr. JAVITS. Or a city or county committee.

Mr. CANNON. Or a county committee or a city committee that is supporting all of the party ticket, and supporting other candidates equally as much as the particular candidate, under the terms of this act, then, the contribution would not be included; that is, he would not be prohibited from making the contribution, in that case, to the committee.

Mr. JAVITS. Would the Senator strike the word "all" and just say "the party ticket"? Because the minute you use the word "all," it is dangerous.

Mr. CANNON. The party ticket, yes. I agree.

Mr. JAVITS. I thank the Senator.

Mr. LONG of Louisiana. Mr. President, I wish to address myself briefly to the Curtis amendment, even though we have very sparse attendance at the moment.

Mr. President, it seems to me that the amendment overlooks the whole purpose of the legislation before us.

Theoretically, in earlier years, the cost of campaigning for Congress was very small. It was not a great expense, and a person was expected to pay his own campaign expenditures. The bill before us pursues the theory that there is nothing wrong about a candidate paying his own expenses of running for office. Therefore, it places no limitation on what a man could spend of his own money to seek public office.

It was subsequently felt that improper influence results from large contributions to persons running for office, on the part of special interests, vested interests, toward achieving the enactment of special-interest legislation and things of that sort. So we passed laws to say that a candidate would have to report contributions. Here we seek to put a limit of $5,000 on the amount that any one person or any family can contribute to a candidate.

However, it is not proposed, in this bill, to put that limitation on what a member of one's own family can contribute, what his father or his mother can contribute to him, on the theory that the father or mother, or even a brother or a sister, really has an interest in the person himself, and rather than an interest in seeking to advance his own financial interests or in seeeking to obtain something for himself, or some benefit to his investments, as a result of the contribution that he makes.

So, recognizing that completely legitimate interest, which has no financial connection to it at all, the bill does not preclude a father from contributing more than $5,000 to support his son, or a mother from making such a contribution, because it is felt that there is nothing improper about their contributing a very substantial amount of money to support a son or daughter.

If we are going to say that they cannot do it, or that a wife cannot contribute to the support of her husband, then, Mr. President, the amendment would defeat its own purpose, anyway, because if a person goes ahead and pays his campaign expenses, and goes in debt to pay them, after the election is over, there is nothing to keep old daddy or mama, or the candidate's wife, from paying off the debt.

So it is a complete exercise in futility to try to impute or imply that there is something improper or unfair, or something wrong, about a family that is well able to pay for the campaign expenses paying the expenses of that son, or the wife paying the expenses of her husband.

There is nothing wrong about it. The whole purpose of limiting the contribution to $5,000 because it was felt that a candidate should not be unduly obligated to any one contributor is defeated here. It is not achieved at all, because, as a practical matter, a father, or mother does have a completely legitimate interest in making a large contribution to the support of a son or daughter; and a wife has a very proper and direct interest, quite apart from politics, in contributing to and aiding in the payment of the campaign expenses of her spouse as a candidate for office, or vice versa.

The PRESIDING OFFICER. The hour of 1:45 p.m. having arrived, in accordance with the previous order, the question is on agreeing to the amendment of the Senator from Nebraska. 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 Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. METCALF], the Senator from Rhode Island [Mr. PELL], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT] and the Senator from Michigan [Mr. HART] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent.

If present and voting, the Senator from Colorado [Mr. DOMINICK] would vote "yea."

The result was announced—yeas 79, nays 7, as follows:

[No. 246 Leg.]

YEAS—79

Aiken	Hansen	Mundt
Allott	Harris	Murphy
Baker	Hatfield	Nelson
Bayh	Hickenlooper	Pastore
Bennett	Hill	Pearson
Boggs	Holland	Percy
Brewster	Hollings	Prouty
Brooke	Hruska	Proxmire
Burdick	Inouye	Randolph
Byrd, Va.	Jackson	Ribicoff
Carlson	Javits	Scott
Case	Jordan, Idaho	Smathers
Church	Kennedy, Mass.	Smith
Clark	Kennedy, N.Y.	Sparkman
Cooper	Kuchel	Spong
Cotton	Lausche	Stennis
Curtis	Long, Mo.	Talmadge
Dirksen	McClellan	Thurmond
Dodd	McGee	Tower
Eastland	McGovern	Tydings
Ellender	Miller	Williams, N.J.
Ervin	Mondale	Williams, Del.
Fannin	Monroney	Yarborough
Fong	Montoya	Young, N. Dak.
Fulbright	Morse	Young, Ohio
Griffin	Morton	
Gruening	Moss	

NAYS—7

Byrd, W. Va.	Hayden	McCarthy
Cannon	Long, La.	McIntyre
Hartke		

NOT VOTING—14

Anderson	Hart	Muskie
Bartlett	Jordan, N.C.	Pell
Bible	Magnuson	Russell
Dominick	Mansfield	Symington
Gore	Metcalf	

So Mr. CURTIS' amendment was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, before Senators leave the floor, I would like to ask the distinguished acting majority leader about the program for the balance of the day and tomorrow.

Mr. BYRD of West Virginia. Mr. President, it is anticipated that there will be a rollcall vote on passage of the pending bill. It is hope that that rollcall vote can take place very soon. We want to accommodate one of our Members who must get away within the next 15 minutes to attend the funeral of a relative. Following that, there will be no further votes today.

Tomorrow, it is anticipated that the Senate will consider any one or more of four measures, and they are these: First, a bill by the Senator from North Carolina [Mr. ERVIN] to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights; second, a bill by the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Pennsylvania [Mr. SCOTT] to provide compensation to the survivors of local law-enforcement officers killed while in the performance of their duties; third, the conference report on the Department of Defense appropriations bill; fourth, a bill by the Senator from New Jersey [Mr. WILLIAMS] and others to amend the Federal Flood Insurance Act of 1956.

It is anticipated that there will be one or more votes tomorrow. If we do not complete action on these measures tomorrow, there will be business on Thursday and likely rollcall votes on that day.

ELECTION REFORM ACT OF 1967

The Senate resumed the consideration of the bill (S. 1880) to revise the Federal election laws, and for other purposes.

Mr. CANNON. Mr. President, for the information of Senators, so far as I know, only two amendments remain, both of which I expect to be able to accept, so that the time between now and the vote on final passage should not be long.

AMENDMENT NO. 297

Mr. COOPER. Mr. President, I call up my amendment No. 297.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. COOPER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Beginning with line 9, page 7, strike out all to and including line 4, page 8, and insert in lieu thereof the following:

"Whoever, including a corporation, entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (a) the completion of performance under, or (b) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"Whoever knowingly solicits any such contribution from any such person for any such purpose during any such period—

"Shall be fined not more than $5,000 or imprisoned not more than five years, or both."

Mr. COOPER. I have discussed the proposed amendment with the manager of the bill, and I hope that he will accept it.

The amendment I propose to S. 1880 would amend section 105 of the bill, which is found on page 7, in two respects. Section 105 itself amends section 611 of title 18 of the United States Code relating to contributions by Government contractors. The first change that my amendment would effect is this: Section 611 of title 18 presently prohibits contributions by Government contractors during the time of negotiation and during the period of performance. The present law does not prohibit contributions in an interval or an interim period between the completion of negotiations and the commencement of performance. We know that sometimes there is an intervening period. The amendment I offer would correct this defect and would prohibit contributions from the commencement of negotiations to the completion of performance in dealing with a Government contractor.

The second change would correct a defect in the same section by including language which I believe was left out by inadvertence. Section 611 now prohibits promises to contribute as well as actual contributions by those entering into contracts with the Government. The bill as presently drafted does not include a prohibition against promises to contribute. I believe it is an inadvertence. I have spoken with members of the staff about the matter. My amendment would retain and restore the prohibition against promises to contribute as well as actual contributions.

Mr. HRUSKA. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. HRUSKA. Let us suppose the instance of a rancher whose lands are being condemned for a reservoir in a flood control project. Sometimes the litigation having to do with the sale of that land takes years and years. Will that man, because these negotiations are pending, be barred from making a contribution, directly or indirectly, to a political party, committee, or candidate during all those years? I refer to the language on lines 5 and 6: "selling any land or building to the United States."

Mr. COOPER. Yes.

Mr. HRUSKA. If so, he would be immobilized from doing what other citizens can do, because a proceeding is pending in court and negotiations are pending between himself and the Government for the sale of land, even though it is an unwilling sale on his part, and he would be barred from participating in political activity.

Mr. COOPER. Let us look at the law as it is today. Section 611 bars a contribution by any person to a candidate for Federal office if that person is engaging in or negotiating to engage in a contract with the Federal Goverment or an agency. It also bars any contribution or promise to contribute during a period of performance.

I believe that if there is some matter between an individual and the Government of the United States, so far as a candidate for Federal office is concerned, the same rule would apply. It is strict. But I believe the example recited by the Senator from Nebraska would be limited in number as compared with the importance of the general rule.

Mr. HRUSKA. There are hundreds of those cases. There are instances where leases are in progress, and that type of situation. I just wondered whether it was in the contemplation of the Senator to include such a situation, with regard for the relevance of a possibility of corruption or dishonesty or influencing improperly—whether, nevertheless, this rule will be clamped upon such people.

Mr. COOPER. That is the law today.

Mr. HRUSKA. Not in the case of land. It is so in the case of procurement contracts. That came about because there were improprieties, and they related directly to those procurement contracts. But that would not be the case in many instances.

Mr. COOPER. We know the problem involved.

Suppose there were no law with respect to this aspect, and a person engaged in a contract with the Government, actually performing or getting ready to perform and negotiating to perform and he makes a contribution to the Senator from Nebraska or to me or to another Member of the Senate. We could have no interest at all in the matter—no desire to participate in it in any way. Nevertheless, it could be considered by many that there was an interest. All I say is that such a situation leads inevitably, in many cases, to corruption.

I believe the example that the Senator has given could occur from time to time, but I believe that the general interest is greater than the proposition of one individual or group of individuals.

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

Mr. COOPER. I yield.

Mr. CANNON. I should like to point out, for the benefit of the distinguished Senator from Nebraska, that land is already included in section 611 of the present law. The only thing that the Senator from Kentucky is attempting to do in the proposed amendment is to cover a possible lapse in time between the commencement of negotiations and the actual commencement of performance. I believe that is a good point to make. But the law now covers land and land dealings to which the Senator from Nebraska referred.

With respect to the other point, the omission of promises was inadvertent in the drafting of the bill, and it should be in the law. I am sure everyone will agree with that. Therefore, I am willing to accept the amendment offered by the Senator from Kentucky.

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

Mr. COOPER. I yield the floor.

Mr. HRUSKA. Is there in this law or in any other statute a provision similar in character that applies to people who are applying for licenses from the Federal Government—for example, the Federal Communications Commission, where they negotiate and they have an annual permit to do business either by way of broadcasting or televising, or a license in any other way? Is there a provision similar to this, a corresponding provision, in the law at the present time?

Mr. CANNON. I would have to say there is no other provision in relation to this particular section, either to the Corrupt Practices Act or the election law. Section 611 refers specifically to contributions by firms or individuals contracting with the United States.

Mr. HRUSKA. And in that period when they are negotiating and there is an adversary interest. Of course, that is where application is made for license to any regulatory body where licenses must be procured in order to do business. For instance, trucking companies must have permits and licenses.

With the Government having its grubby little fingers in virtually all human endeavors these days, if we continue pushing these concepts perhaps we will make it so pure that there will be no place to go except to the Federal Government.

Mr. COOPER. There is a law today with respect to this kind of contract.

My amendment would eliminate a gap in its application.

Mr. HRUSKA. I shall vote for the amendment, but I do wonder, in our desire to be so pure, whether we are going to clog the wheels of a good old political custom in which we should be able to express our views.

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

Mr. COOPER. I yield.

Mr. COTTON. Mr. President, I seem to gather from the query of the Senator from Nebraska, and the Senator from Nebraska and the Senator from Kentucky are both able lawyers, a reference to involuntary sales in the sense, I suppose, of eminent domain.

With respect to negotiations for the sale of land, would the present law apply to a long drawn-out battle against a reluctant landowner who is trying not to sell his land and, therefore, there was a contest because the landowner was trying to prevent his land from being taken?

Mr. HRUSKA. It would still be a sale to the Government.

Mr. COOPER. I think that is correct, but I also think that in that kind of case there are always negotiations going on.

Mr. HRUSKA. The Senator is correct.

Mr. COOPER. The law as it is now would apply to that kind of case.

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

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MILLER. Will the Senator yield, so that I may ask a question of the Senator from Kentucky?

Mr. CANNON. I yield.

Mr. MILLER. Mr. President, I wish to ask the Senator from Kentucky whether the substance of his amendment would cover the following situation. Suppose an individual had a contract or who was negotiating a contract with the Federal Government, let us say, in the amount of $100,000. Would this proposal place him in the position of being subject to imprisonment if he bought a $100 ticket to a Democratic or Republican fundraising dinner?

Mr. COOPER. That is a difficult question that the Senator has asked.

Mr. MILLER. I think it is a very important question.

Mr. COOPER. I think it is, too.

Mr. MILLER. I think it is a very important question, because, as I read this amendment, it provides:

> * * * if payment * * * is to be made * * * at any time between the commencement of negotiations for and the later of (a) the completion of performance under or (b) the termination of negotiations for, such contract or furnishing of material, * * * directly or indirectly makes any contribution of money * * * to any political party, committee, or candidate for public office * * * shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

My question, I think, sets forth a set of facts very common throughout the United States, and not only does it seem to cover the situation of that individual who might buy the $100 ticket, but it would also seem to very well cover some of those people who are out soliciting for the purchase of tickets.

I am wondering, if it is that broad in the coverage, if we are not getting ourselves into something beyond what we want.

Mr. COOPER. I will be perfectly frank. Reading the language of this section, which I emphasize is the language of the law today, it would appear to me that it could be interpreted literally to cover that situation. I want to say that it is the law today. I am not asking that the law be repealed. If it is the law and not wholly effective my amendment would not change it.

Mr. MILLER. I appreciate the usual thorough honesty of my friend and colleague from Kentucky. However, it seems to me that we should do one of two things. Either we should change the language or make legislative history here that there is no intention to cover the situation I mentioned; or if the Senator is willing, let him cover that situation. I believe most Senators would not want to say that if someone were to go out and buy a $100 ticket to a Democratic or Republican fundraising dinner he should be placed in the penitentiary for 5 years because he happens to be engaged in negotiating a contract for the Federal Government, especially if it is out of proportion to that ticket.

Mr. CANNON. The proposal of the Senator from Kentucky [Mr. COOPER] would not change the law in that regard. Everyone recognizes that that custom and procedure has gone on for years. I do not know if anyone has been prosecuted for buying a ticket to a dinner. I cannot imagine the Department of Justice prosecuting anybody for it now. The Senator from Kentucky, who represented one of the two national committees at one time, is in the Chamber. I would seriously doubt that his experience would indicate a person could not buy a ticket to a fundraising dinner without running the risk of being imprisoned.

Mr. MILLER. Mr. President, I wish to say to my friend from Nevada that the substance of his statement that we do not have to worry about it because it has never happened that anyone was prosecuted is no reason for us to lay a foundation for such power in the hands of the Federal Government or is it justification for us to legislate unwisely and sloppily on the floor of the Senate.

The fact that it does not change the present law does not mean this is not going to become the law if we adopt it. I know there are good intentions behind this, but I do not think it has been thought through thoroughly.

Mr. CANNON. The point of the Senator is that the proposal of the Senator from Kentucky does not change the law; there is no change in existing law. There is no intent to make any change in regard to the question that the Senator from Iowa raised.

Mr. MILLER. Does this not become a part of the law if it is adopted?

Mr. CANNON. Yes, but it makes no change in the existing law with respect to the point which was raised by the Senator from Iowa.

Mr. MILLER. Perhaps it was not brought up before in the legislative history behind the present law, but it is being raised now. I submit it is going far beyond what I think most of us want to cover.

Mr. COOPER. Mr. President, will the Senator yield so that I may respond?

Mr. CANNON. I yield.

Mr. COOPER. Mr. President, I think the Senator has raised a very valid point, relating to reporting by political committees, reporting by committees which hold testimonial dinners, and reporting of those who contribute to testimonial dinners, when he suggests that this provision might create a problem, particularly with respect to those who buy tickets to testimonial dinners. However, that does not go to the real purpose, I am sure, which led to the enactment of section 611, and which my amendment would strengthen.

I am certain that the reason for the enactment of section 611 was to remove, as far as possible, the possibility of corruption, graft, and wastefulness, of the Federal Government in giving contracts to people simply because of political reasons.

I hold that it is more important to prohibit this form of wrongdoing, insofar as possible, and to punish those who would use this method to obtain Govment contracts. The matter of which the Senator has spoken, I am sure, can be worked out in conference. I would have no objection myself to providing that anyone who bought a ticket for $100 to a testimonial dinner would not violate this section of the act. But I hold—and I shall not back away from it—that the use of contributions to obtain contracts corrupts the Government, the Senate and the House, and every Member who has anything to do with them.

Mr. CANNON. With the Senator's explanation that he does not intend the same type of situation involving a fundraising or a political dinner, I am willing to accept the amendment and ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COOPER. Mr. President, the bill before us today providing for full disclosure of campaign contributions and expenditures is designed to provide the American public with important and necessary information concerning the operations of Federal elections. It will do much to increase public confidence in the conduct of our free political institutions. This bill is but one step in a series of steps needed to further increase public confidence and support of these institutions. There remain other areas of conduct and activities involving Members, officers, and employees of the Senate which the Senate must also deal with.

When the rules committee concluded its investigation of Mr. Robert Baker, pursuant to Senate Resolution 212 and Senate Resolution 367, I filed supplemental views with the committee's report in which I made four recommendations, two of which have been enacted by the Senate.

My first recommendation was that the Select Committee of Standards and Conduct, which was established when the Senate adopted my resolution on

July 24, 1964, be activated by the appointment of its members.

The second recommendation I made was to amend the Federal Regulation of Lobbying Act by placing the administration of that act under the Comptroller General. In my supplemental views I stated:

One of the weaknesses of the act as presently written is that there is no body or authority to administer it, to examine the statements to determine if the terms of the statute have been complied with, and to seek inquiries and make investigations of individuals or organizations who have not filed so as to ascertain if such individuals or organizations are entitled to an exemption or are excepted from the provisions of the act, or are engaged unlawfully in lobbying.

My proposal was reported favorably by the rules committee in the 89th Congress and, although no action was taken then, the main provisions were included in S. 355, the bill to reorganize the Congress which passed the Senate earlier this year.

Two other recommendations I made at that time have not been enacted but are included with other proposals presently being considered by the Select Committee on Standards and Conduct.

The first deals with the need disclosure, and the resolution I originally introduced in the 89th Congress would require each member, officer and employee of the Senate to file annually with the Secretary of the Senate a report open to the public concerning his nongovernmental business, professional or employment activities during the calendar year.

A second resolution I introduced would provide for a new Senate rule prohibiting any officer or employee of the Senate from soliciting or distributing any funds in connection with a political campaign. At that time I stated:

Throughout the entire investigation of Mr. Robert Baker's activities we found evidence of his collecting, handling and distributing funds for political campaign purposes. Political contributions should be channeled directly to the senatorial campaign committees of either party or to other lawful campaign committees.

Mr. President, I ask unanimous consent that the statement I made on the floor of the Senate on July 6, 1965, under the heading "Recommendations for Senate Action Based on the Baker Investigation," be included in the Record at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. COOPER. In a letter dated July 20, addressed to Members of the Senate, the chairman of the Select Committee on Standards and Conduct [Mr. STENNIS] informed the Members that the committee is undertaking the preparation of rules and regulations regarding standards of conduct for Members of the Senate and officers and employees of the Senate. In his letter, the chairman outlined several areas that are being considered by the committee and requested comments and suggestions of the Members concerning the following subjects:

First. Outside professional, business or financial activities of Senators.

Second. Gifts to Senators, including testimonials.

Third. Disclosure of income or assets by Senators.

Fourth. Outside professional, business or financial activities or employment of staff members.

Speaking as a member of the committee, I am hopeful that the committee will report its recommendations to the Senate covering these areas of activity prior to adjournment.

In concluding my remarks, I would point out that the Rules Committee has considered amendments to the Federal election laws over the past 10 years. The committee reported favorably S. 2150 in 1957; S. 2426, the Hennings bill, in 1959; S. 2436, which was passed by the Senate in 1961, and S. 2541, which was reported favorably last year but no action was taken by the Senate. In reviewing and studying these bills, it is my opinion that S. 1880, the bill before us today, is more comprehensive, provides for greater disclosure of campaign expenditures and contributions, and will give the American public the needed information and safeguards to make our electoral processes more democratic and more effective. I support and shall vote for the bill.

I would like to congratulate Senator CANNON, the chairman of the Subcommittee on Privileges and Elections, for his fine leadership in developing S. 1880 and the other members of the subcommittee, Mr. HAYDEN and Mr. CURTIS, for their contributions to this bill.

EXHIBIT 1

RECOMMENDATIONS FOR SENATE ACTION BASED ON THE BAKER INVESTIGATION

Mr. COOPER. Mr. President, last year, at the close of the first phase of the Baker investigation, I proposed to the Senate the adoption of a resolution to establish a Committee on Standards and Conduct. The resolution was adopted by the Senate. I understand that it will be implemented.

At the close of the hearings this year, I made several other proposals to the Committee on Rules and Administration for recommendation by the committee to the Senate. One of my proposals was adopted by the full committee and has been recommended to the Senate. It was a proposal to place the administration of the Federal Regulation of Lobbying Act under the Comptroller General of the United States. At present, reports are filed with the Secretary of the Senate and the Clerk of the House. But under existing law no agency, body, or official is charged with administration and enforcement of the act. I thought the Comptroller General a proper authority for the administration and enforcement of the act for several reasons. He is an arm of Congress, he has an investigative staff and makes investigations of various activities both of Congress and of the executive branch, and makes his reports to Congress.

The bill which has been recommended by the Rules Committee, and which I hope the Senate and House will pass, would place the jurisdiction to administer and enforce the Lobbying Act under the Comptroller General. Reports would be filed with him as well as with the Senate and House. The Comptroller General would have the power to study the reports, review them, and determine if they met with the requirements of the act. He would also have the authority, and the staff to determine if those who were lobbying had been registered as provided by law. If he found violations, it would be his duty to report them to Congress and to the Department of Justice for action.

My proposal arose from evidence heard during the investigation. It was evident that persons who should have registered as lobbyists had not done so. One of the most glaring and apparent violations of the law was developed from the testimony of a Mr. Weiner, who received $50,000 for, he said, representing, as a public relations man, an ad hoc trade association in legislation before the Congress. He said that he spoke with members of the staffs of committees, and with Members of the Congress about the proposed legislation, and yet maintained he was not a lobbyist.

I hope that the measure which I proposed in committee and which the committee approved for recommendation to the Senate will be considered and passed.

* * * * *

Mr. President, I made two other proposals in the Committee on Rules and Administration which were not approved by the committee, but which at a proper time, when the report is considered by the Senate, I shall call up for action on the floor. Today I am submitting resolutions to carry out these recommendations when the matter of the report of the Rules Committee comes properly before the Senate.

In committee, I voted for the Clark resolution, which provides for financial reports by Members, officers, and employees of the Senate to be open to the public, it was not adopted. The committee then adopted a proposal made by the distinguished Senator from Nevada [Mr. CANNON], which would require a limited statement of disclosure by Members, officers, and employees to be filed with the Comptroller General, but not to be available to the public or to Congress. If a majority of the Committee on Standards and Conduct, when activated, so directs, such reports would be made available to that committee.

My resolution is narrower than the Clark proposal. I would not offer it unless his should be defeated. My resolution requires Members, officers, and employees of the Senate to file with the Secretary of the Senate a report concerning their nongovernmental business, professional or employment activities during the preceding calendar year. It would require, among other things, a statement of the nature of each business or professional organization of which the individual was an officer, director, partner, or employee and in which activity he was engaged personally for profit during that year; and the name and addresses of such enterprise or organizations.

If this information were available to the Senate and to the public, it would be a brake upon any activities involving an existing or potential conflict of interest. The public would have the means of determining if there was a conflict of interest on the part of either Members of the Senate or of officers and employees of the Senate. If such a Senate rule had been in effect, Mr. Robert Baker, as an officer of the Senate, would have been required to report his outside employment and business activities and, if he had done so—as these reports would have been open to public inspection—his activities would have been known by the Senate and the public.

My third proposal pertains to political campaign funds. The minority recommended in its report that Congress enact a law to prohibit Senate employees from serving as treasurer, or temporary treasurer or as custodian of any type of campaign funds. I proposed a Senate rule because I believe that it may be more difficult to obtain the passage of legislation involving both Houses of Congress.

My proposal to the committee was voted down. However, I shall offer it again because I believe that the handling of campaign funds by Senate employees, could hold great possibilities for corrupting influences. I do not say that in derogation of the character of Senate employees.

Senators are under legal restrictions with regard to campaign funds, as to their acceptance and to the reporting requirements of the Corrupt Practices Act. Campaign committees are set up in various ways. To be frank about it, there is a good deal of concealment of the sources of campaign funds, and a failure to disclose these sources. It is unfair to place on the staffs the responsibility for receiving and distributing campaign funds.

I believe it absolutely unfair to staff members to place on them the responsibility for soliciting, distributing, or acting as the custodian of campaign funds. Throughout our investigation, there ran an undercurrent of the improper use of political contributions, of collecting and distributing these funds, and there were charges of corruption.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. Mr. President, I ask unanimous consent that I be permitted to continue for an additional minute.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 additional minute.

Mr. COOPER. I believe the Senate should adopt a rule prohibiting officers and employees from soliciting, distributing, acting as custodians of political campaign funds, and I shall offer such a rule for the truth of the matter is that after having gone through with the investigation, for nearly 2 years, I believe that there is a great need for the overhauling of the entire Corrupt Practices Act.

For that reason, I submit today these two resolutions: One dealing with disclosure and the other prohibiting Senate officers and employees from being charged with any responsibility to collect, hold, or distribute campaign funds.

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

The resolutions (S. Res. 124) to amend the Standing Rules of the Senate to regulate Members, officers, and employees of the Senate to file certain reports as to their nongovernmental businesses, professional, or employment activities, and (S. Res. 125) to amend the Standing Rules of the Senate to prohibit the solicitation, custodianship, or distribution of political campaign funds by officers and employees of the Senate, submitted by Mr. COOPER, were received and referred to the Committee on Rules and Administration, as follows:

"S. RES. 124

"Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"'Rule—

"'Report on Business and Professional Occupation

"'1. Each individual who is a Member of the Senate, or an officer or employee of the Senate, shall file annually with the Secretary of the Senate, in such form as the Secretary shall prescribe, report with respect to his non-Governmental business, professional or employment activities during the preceding calendar year. Each report filed by any individual for any calendar year shall contain the following information:

"'(a) The nature of each business enterprise and professional practice in which he was engaged personally for profit during that year, the name under which such enterprise or practice was so conducted, and the address at which such enterprise or practice was so conducted:

"'(b) the name and address of each other business or professional organization or enterprise of which he was an officer, director, partner, or employee in any capacity during that year;

"'(c) the capacity in which he was so affiliated with or employed by such organization or enterprise;

"'(d) the period during that year for which he occupied such capacity; and

"'(e) whether he received any compensation of any kind during that year for or in connection with his occupancy of such capacity.

"'2. Each individual who is a Member of the Senate, or an officer or employee of the Senate, at any time during January of any year shall file such report on or before May 1 of that year. Each individual who becomes a Member of the Senate, or an officer or employee of the Senate, after the end of January in any year shall file such report within 90 days after the date on which he becomes a Member of the Senate or an officer or employee of the Senate.

"'3. Each report filed under this resolution shall be maintained by the Secretary of the Senate for a period of not less than 3 years, and during that period shall be available for public inspection during business hours of the office of the Secretary of the Senate.

"'4. As used in this rule the term "officer or employee of the Senate" means:

"'(1) an elected officer of the Senate who is not a Member of the Senate;

"'(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

"'(3) the Legislative Counsel of the Senate and any employee of his office;

"'(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporter of Debates of the Senate in connection with the performance of their official duties;

"'(5) a member of the Capitol Police Force whose compensation is disbursed by the Secretary of the Senate;

"'(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

"'(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.'"

"S. RES. 125

"Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"'Rule—

"'Political Campaign Funds

"'1. No officer or employee of the Senate may—

"'(1) solicit, be the custodian of or distribute any funds contributed for use to defray expenses incurred or to be incurred by any other individual for or in connection with any campaign for the nomination or election of any individual to be a Member of the Senate; or

"'(2) be vested with or exercise any authority or responsibility for, or participate in any way in any consideration of or determination with respect to, the allocation between or among two or more Members of the Senate of any funds available for use to defray expenses incurred or to be incurred by any individual for or in connection with any such campaign.

"'2. As used in this Rule, the term "officer or employee of the Senate" means—

"'(1) an elected officer of the Senate who is not a Member of the Senate;

"'(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

"'(3) the Legislative Counsel of the Senate and any employee of his office;

"'(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporter of Debates of the Senate in connection with the performance of their official duties;

"'(5) a member of the Capitol Police Force whose compensation is disbursed by the Secretary of the Senate;

"'(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

"'(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.'"

Mr. BYRD of West Virginia. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from West Virginia will state it.

Mr. BYRD of West Virginia. Have the yeas and nays been ordered on the passage of the bill?

The PRESIDING OFFICER. No.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the bill.

The yeas and nays were ordered.

Mr. ERVIN. Mr. President, I offer an amendment which reads as follows:

Amendment to S. 1880, on page 6 strike out section (f) and reletter section (g) as section (f).

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 6, line 20, strike out section (f), as follows:

(f) Nothing contained in this section shall be deemed to prohibit any contribution to a candidate by the spouse or a child, grandchild, parent, grandparent, brother, or sister of the candidate.

Mr. ERVIN. Mr. President, I should like to say first that I was in favor of the bill with the exception of section (f) on page 6. I shared the opinion of the distinguished Senator from Nebraska [Mr. CURTIS] that that section had no place in the bill. The Senator from Nebraska offered an amendment which I understand was drawn up on the spur of the moment which had the effect of nullifying this provision. The amendment of the Senator from Nebraska, however, left one provision with his amendment in the bill. I offer this amendment which all it will do will strike out section (f) on page 6 in its entirety and reletter the following section as (f). This will be, I think, a much better way to accomplish the purpose which was accomplished by the amendment of the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I yield.

Mr. CURTIS. I should like to ask the distinguished Senator, it is not his purpose to negate the action taken on the Curtis amendment?

Mr. ERVIN. No. My purpose is fully to consummate, beyond any question, the Curtis amendment by striking out the section to which the amendment was attached. In other words, the end result of the amendment will be the same as the amendment offered by the distinguished Senator from Nebraska, which was overwhelmingly adopted by the Senate. Its effect will be to place the relative mentioned in the section on exactly the same basis as anyone else.

Mr. CURTIS. In other words it would remove from the bill any special privilege pertaining to a contribution from a near relative and put it on the same basis as a candidate who must raise his money from strings.

Mr. ERVIN. Exactly.

Mr. CURTIS. I have no objection to the amendment.

Mr. CANNON. Mr. President, I am willing to accept the amendment. I think it would clean up the bill and would effect the same purpose as the amendment of the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McINTYRE. Mr. President, I have some questions I should like to ask of the distinguished Senator in charge of the bill, because I think they need some clarification. So if the Senator from Nevada will give me his attention for a moment, first, I should like to ask him:

Does the maximum $5,000 limitation apply separately to primary and general elections, or does it apply overall to both campaigns? In other words, under this bill, can a person legally make one $5,000 contribution to a candidate in a primary election and another $5,000 contribution to the same candidate in the following general election?

Mr. CANNON. A contributor can make only one $5,000 contribution in a calendar year.

Mr. McINTYRE. That means, then, that he would not be able to give $5,000 in a primary election and another $5,000 in the general election?

Mr. CANNON. No. Assuming that both elections came in the same calendar year, he would not.

Mr. McINTYRE. Another question: The colloquy on the floor yesterday between the Senator from Nevada [Mr. CANNON] and the Senator from Nebraska [Mr. CURTIS] is a bit ambiguous on the question of when a person becomes a candidate.

It is common practice for the campaign committees of both political parties, in both the House and Senate, to assist incumbent Members financially in the next-to-last year of their term to maintain constituent relations. I know of examples where this has taken the form of payment for extra trips back home, or payments for radio tapes, mailings, or television tapes.

These payments by the campaign committees have invariably been reported to the Clerk of the House, but they are not, traditionally, reported by the incumbents who receive them. Under section 201 of this bill, will the recipient of such contributions become a "candidate," when the funds are used exclusively for the purpose of maintaining communications with his constituents, although perhaps on a more intense basis than usual?

Mr. CANNON. Officially, one becomes a candidate, of course, when he complies with the State law. But, for the purposes of the bill, he becomes a candidate when he receives campaign contributions for the purpose of effecting the election or his nomination. Now, if the Senator is saying that he is actually receiving a contribution for the purpose of being elected, then that is when he becomes a candidate for the reporting provisions of the law, and he would have to so report. On the other hand, the Senator raised the question and stated that if funds are used exclusively for the purpose of maintaining communication with his constituents—if I take that premise and that is his purpose—then I would say that he would not be a candidate at that time.

Mr. McINTYRE. It seems to me we put ourselves in the never-never land in determination of additional mailings or additional TV, that this person, as I read it, under the bill, would become a candidate, in the true sense of the word, and be subject to reports thereafter.

Mr. CANNON. This is a matter that the Senator himself would have to decide, based upon his own judgment and his own intent. We cannot, in a bill, spell out every specific circumstance to which the bill is going to apply. We define when he is a candidate. We say that he becomes a candidate, either by an official act, which means carrying out the required steps in his State, or when he receives contributions or makes expenditures for—what?—for the purpose of assuring his election or his nomination. Now, if he does that, he is then a candidate and he would have to report.

Mr. MURPHY. Mr. President, will the Senator from New Hampshire yield?

Mr. McINTYRE. I yield.

Mr. MURPHY. I should like to know whether it is the judgment of my distinguished colleague that this would apply to free time on TV and radio, and equal time, if it is decided that when he accepts a contribution he automatically becomes a candidate.

Mr. CANNON. I do not know that I quite get the point the Senator is raising.

Mr. MURPHY. He is a candidate or he is not. As soon as he accepts the contribution, he is a candidate?

Mr. CANNON. For the purposes specified in the bill.

Mr. MURPHY. From that time on, any appearance on radio or television would guarantee free equal time to his opponents.

Mr. CANNON. Not under these regulations. This has no application to the free-time provision.

Mr. MURPHY. Would it have any application——

Mr. CANNON. This has no application to the free-time provision. That is something for the communications media to arrange.

Mr. MURPHY. This determines when he legally becomes a candidate?

Mr. CANNON. Not when he legally becomes a candidate. It determines when he becomes a candidate for the reporting requirements under the provisions of the bill. He legally becomes a candidate according to the provisions of State law. We say that at a certain time he must make reports. We are not saying he is legally a candidate for all purposes. We are saying, for the reporting provisions of the bill, he is a candidate as of that time.

Mr. McINTYRE. I think the Senator has answered the question—that if he takes a contribution prior to the election, he becomes a candidate, the way I interpret it.

I have another question with reference to page 10, section 201(f). I would like to ask the Senator from Nevada how he treats the following situation. I am a great admirer of the Senator from Nevada. Let us suppose that, in 1970, when the Senator's term of office expires, he should decide to run for reelection, and that I pay my own fare to Nevada to make speeches on his behalf. Will my payments for air fare, which will exceed $100, be treated as either a contribution or expenditure under this bill? Will I have to file a report under section 205 with the Secretary? Or will the Senator from Nevada be required to ask me how much money I have spent on air fare so that he will be able to report it as a contribution?

Mr. CANNON. First, I want to thank the Senator for his fine offer. Second, I would say that a transportation ticket would not be of any value to me as a candidate, and I would not have to report it, since it was not a contribution to me. I do not think the distinguished Senator would have to report that expenditure as a contribution for me.

Insofar as the speech itself is concerned, there might be a serious question there. If we wanted to evaluate how much good it would do, if it might be worth more than $100, there might be a question as to whether I should report that.

Mr. McINTYRE. I thank the Senator from Nevada.

I have one more question. In New Hampshire we hold early presidential primary elections. Currently, there are a number of organizations in New Hampshire receiving contributions or making expenditures on behalf of individuals who have publicly denied their intentions of seeking presidential nominations and running. In some cases, the organizations are operating despite the express disapproval of the individuals for whom they are working. Under this bill, would such organizations be required to file as political committees?

Mr. CANNON. They would be required to if they received or spent more than $1,000 primarily for the election of a candidate under the terms of the bill.

On page 2 we have a definition specifically stating:

> A primary election held for the expression of a preference for the nomination of persons for election to the office of President.

It would not make any difference whether the candidate—or noncandidate, as the Senator indicated—had accepted or not accepted, if he spent money for the selection of the candidate for the particular office for which he was required to file.

Mr. McINTYRE. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. ERVIN. I note section 302, on page 25 of the bill, states:

> This act shall take effect January 1, 1968.

Is this language to be interpreted to mean that this bill does not apply to any campaign contribution which may be received before that date, if it is received and spent before that time?

Mr. CANNON. The Senator is correct. There is a reporting provision for a committee that would be an organizing committee that would have to report the cash on hand, but the effective date

would not require a candidate to report contributions he had received prior to the effective date of the act. It is not retroactive.

Mr. ERVIN. The act is effective January 1, 1968. It is not retroactive?

Mr. CANNON. It is prospective in nature; it is not retroactive.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question? It will take only 2 minutes.

Mr. CANNON. I yield for a question.

Mr. LAUSCHE. I direct the Senator's attention to page 5 of the report, which states:

The term "political committee" means any individual, committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000.

My question is, What will the situation be with respect to a State political committee that receives contributions covering either the nomination or election not only of a Senator or a Representative, but also of a Governor and other State officials? Will that committee have to file as moneys received the aggregate amounts for all of the candidates, which include a Senator or Representative, or will the State committee be permitted to segregate the amounts expended for senatorial or House candidates as distinguished from the State candidates?

Mr. CANNON. The act provides that the committee must report moneys received for the election or nomination of a candidate, and also expenditures for that purpose. So the committee would be required to report on receipts and expenditures only as they apply to the Federal candidate. As defined under the terms of the bill, appearing on page 18:

The Secretary—

That is, the Secretary of the Senate—

or Clerk—

That is, the Clerk of the House—

may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 204 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates—

As defined in this act—

and (2) does not operate in more than one State or on a State-wide basis.

Mr. LAUSCHE. That answers the question. I thank the Senator.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The bill was read the third time.

Mr. WILLIAMS of Delaware. Mr. President, I give this bill my enthusiastic support. I think it is a long overdue reform of our election laws. I sincerely hope this bill will be promptly acted upon by the House and sent to the President for his signature.

The Finance Committee has scheduled an executive meeting for tomorrow with reference to reporting a bill to provide a better method for financing these campaigns.

What concerns me is the possibility that this bill may go to the House and get bogged down while the campaign financing bill would be passed by the Senate and the House. I think it would be a great reflection on the Congress if, under any circumstances, the financing bill became law and the election reform bill did not. As one who strongly supports this measure, I want to make it clear now that if this bill, containing these election reforms, has not been acted on in the House by the time the Senate passes the bill providing for a new method of financing campaigns, this bill in its present form, which is about to be voted on and which I am supporting, will be offered as a rider on any financing proposal acted on by the Senate.

By making this a rider on any proposal to provide financing it could then go to conference, and if the House had not already acted on this bill, they both would be before the same conferees.

Mr. President, I strongly support the reform of our election laws. I support these reforms without any financing plan. They should be enacted. But I am unalterably opposed to providing any method of financing if the reforms have not been approved prior thereto, or if they are not a part of the same bill. The administration and the Congress should be on notice that without election reforms there will be no plan for financing campaigns by tax credits or special deductions.

There is a cloakroom rumor—perhaps it is erroneous—but we hear that there is a plan afoot to have the Senate pass a campaign financing bill and an election reform bill as two separate measures and then to let the reform package die in the House. I am unalterably opposed to any plan which embraces the suggestion that the Senate pass any type of a campaign financing arrangement unless either this bill which we are voting on here today will have been approved by the House or these reform amendments are attached thereto as a part of the same package. I shall insist that the reform legislation which we are voting on here today be attached as a part of the campaign financing bill.

The question may be asked, why not offer the financing plan as a part of this particular bill now being voted upon? The bill now before us is a Senate bill. Any campaign financing plan must either originate in the House or be offered as an amendment to a previously enacted House bill. It would therefore be out of order to offer such a proposal as an amendment to this Senate bill; however, the election reform package, as embraced in this bill now before us, would be in order as an amendment to the campaign financing bill.

Lest there be any misunderstanding I emphasize that while I am the author of a bill the purpose of which is to allow either a partial tax credit or a special tax deduction as an incentive to encourage wider participation on the part of the small contributors, nevertheless I will not even support the enactment of my own proposal unless these election reforms have been enacted into law or are made a part of the same bill.

If the Congress ever yields on this point and enacts a law providing an easier method for financing political campaigns without at the same time having enacted a bona fide election reform law there will not be any election reforms in the foreseeable future.

I just want to make sure that without a bona fide election reform bill enacted there will be no plan adopted to ease the burden of campaign financing.

I shall support this bill now with those reservations.

Mr. LONG of Missouri. Mr. President, it is with a great deal of satisfaction that I speak today in support of the pending bill, S. 1880, the proposed Election Reform Act of 1967.

My esteemed predecessor, the late Thomas C. Hennings, Jr., worked long and diligently for most of the reforms included in this bill. The first bill I introduced in the Senate, S. 604 of the 87th Congress, contained these same reforms. As with many proposed changes, it has taken a number of years to establish a general recognition of the need for the reforms, and I am encouraged by the support the bill received in committee.

The bill would replace the minimal reporting requirements of today's law with a comprehensive reporting scheme that would make public practically the total picture of campaign financing for Federal office. If enacted, all candidates for Federal office and all political committees handling more than $1,000 would have to report all contributions received and expenditures made in primary and general elections. It also would establish an effective overall ceiling on the amount one person could contribute for the election of one candidate. The bill, however, would remove ceilings on expenditures. Thus, the philosophy of this bill is to regulate campaign financing by disclosing to the voter the source of campaign funds and how they are spent. The voter would then be able to exercise his own judgment as to the financial conduct of elections. In my opinion, this bill will substantially strengthen our democracy and increase the vitality of our elective process.

The Senator from Nevada [Mr. CANNON], chairman of the Senate Privileges and Elections Subcommitee, is to be commended for his years of leadership on behalf of election reforms, and I urge the Senate to overwhelmingly approve this measure.

Mr. GORE. Mr. President, I commend the chairman and the members of the Committee on Rules and Administration for their action in bringing to the Senate floor a bill to modify existing law in the area of campaign contributions and expenditures. This is an area in which reform has been badly needed for decades.

Earlier in the session this general subject was debated for the better part of 6 weeks. In the course of that debate, many Senators expressed their concern about the inadequacy of existing law and about the need to safeguard the ballot box from the dangers of improper influence of money.

Our election process is the most vital element in our form of government. It is my considered view that current election financing practices so endanger the election process that it would be in the

public interest to provide a method of public financing, under proper safeguards, for the legitimate campaign expenses incurred by those who seek Federal elective office. The Committee on Finance currently has under consideration proposed legislation in this area. I hope that a bill will shortly be approved by the committee and by the Senate. If a complete job is to be done, however, it is also necessary that appropriate and effective controls over the giving, the receiving and the spending of private campaign contributions be enacted.

Existing law on the subject of campaign contributions and expenditures is so unrealistic, so ineffective and so easily avoided that there are in practical effect no effective limits whatever on how much can be given and how much can be spent in an election campaign.

The bill before the Senate, if enacted, would substantially strengthen existing law.

Among other things, the bill would extend the application of Federal law to primary elections for Federal office. Primaries are so important an element in the election process that it is essential that financial practices in primaries be subject to Federal regulation.

Further, the bill undertakes to limit effectively the aggregate amount of money that any one individual may contribute to or in behalf of a candidate for Federal office, whether in a primary campaign or in a general election campaign. I strongly support such limitations and, in fact, it is my view that limits on individual contributions more restrictive than those contained in the pending bill are needed. If the concept of "one man, one vote" is to have practical validity, we should limit the degree to which one individual's influence on the outcome of an election may be determined by the size of his pocketbook. The provision in the pending bill on this point, although it does not go as far as I would like to see it go, is surely a step in the right direction.

The pending bill contains provisions which would require more complete and more timely disclosure of the source of private campaign contributions and the purposes for which contributions are spent. This, too, is badly needed and will be helpful.

The major deficiency of the pending bill, in my view, is that it does not establish realistic and effective ceilings on the overall amount that may be spent in a campaign for public office.

Admittedly, the spending ceilings contained in current law are wholly unrealistic. The expenses that may legitimately be incurred in a modern campaign are much higher than at the time existing law was enacted. Accordingly, no effort whatever is made to enforce the ceilings set forth in existing law. They are easily avoided and universally disregarded. I do not suggest that we should continue the ceilings now in the law or that we should establish different ceilings so unrealistically low as to encourage avoidance and evasion. At the same time, I think it would be a mistake to eliminate ceilings altogether as is done in the pending bill.

Our basic objective must be to so safeguard our elective process as to insure to the maximum degree possible that the will of the electorate is freely expressed. No matter how rigidly we undertake to limit the amount that may be contributed by one individual, and no matter how effective may be the provisions for disclosure, the will of the electorate may still be usurped through the excessive expenditure of money in an election campaign.

The potential evil that may come from the use of money in elections may arise from the amount of money used in a campaign as well as from the source of that money. The only legitimate purpose of campaign expenditures is to inform the electorate of the issues in the campaign and the views of the candidates on those issues, and to permit the voters to make an informed judgment as to which of the candidates will best represent the public interest if elected. Expenditures beyond the reasonable amounts necessary for these purposes tend to obscure the issues and the views of the candidates; in some recent campaigns this appears to have been the objective of those who managed the campaigns. I do not believe it serves the public interest to permit the expenditure of large sums of money for use of mass communications media for the purpose of "selling" an image of the candidate in much the same way that Madison Avenue sells soap.

The pending bill, which repeals existing law on overall limitations on spending, is based on the premise that spending ceilings are impractical and unnecessary. It is argued by proponents of repeal that if we have effective provisions for public disclosure of how much is spent and where it came from that public reaction will effectively resolve the problem of excessive expenditures. I do not believe so. In the first place, it is simply impossible to have complete disclosure of the total amount spent or the source from which the funds came in such a way that the public will have this information before the votes are cast and counted. Disclosure after the election that the winning candidate had spent an exorbitant amount of money will not operate to change the outcome at all. Nor, in my view, can it be validly argued that the expenditure of large sums of money will react against a winning candidate in the next election. Although, under existing law, complete disclosure is not required, we frequently see articles in the press indicating that one candidate or another spent substantially larger sums than his competitor. I know of no instance in modern times when this has created noticeably adverse reaction. In fact, I feel that the public has become somewhat immune, if not cynical, to the idea that elections may in fact be "bought" by the expenditure of excessive sums of money for purposes which, in reasonable amounts, would be fully appropriate and in the public interest.

In my view, it is no answer to say that spending ceilings cannot be made effective because they would be difficult to enforce. The ceilings contained in existing law are not enforced because, first of all they are utterly unrealistic, and, secondly, because the law is so loosely drawn that responsibility is not fixed on the candidate or upon anyone else to account fully for the amount spent. It is from the candidates that our public officials are selected. I do not think it is asking too much to place upon the candidate responsibility for controlling the amount of money spent by him and by those who support his candidacy. I have sponsored proposed legislation which would fix such responsibility upon the candidate by requiring him to authorize committees to spend money on his behalf and to include the amount spent by authorized committees in the overall ceiling applicable to his campaign. It may be true that we cannot under the Constitution absolutely prohibit campaign expenditures by individuals or committees not authorized by the candidate, but such expenditures can be sharply limited without violating the constitutional guarantees of freedom of speech.

If we provide by law that there shall be no limit whatsoever upon the amount that can be spent in a campaign for election to Federal office, we shall, in a very real sense, encourage, if not condone, vast expenditures by the candidate who has or who can acquire large sums of money with which to influence the outcome of the election, thus subverting the very democratic process which we seek to safeguard.

For these reasons, Mr. President, I regret very much that the committee has not included in its bill effective provisions establishing realistic and enforceable ceilings on how much can be spent in a campaign for election to Federal office.

Mr. KENNEDY of New York. Mr. President, I rise in support of the Election Reform Act of 1967. The vitality of our electoral system is an item of high importance on our national agenda. This bill is a step toward badly needed reforms in our political structure.

The most important task, in my judgment, is for the Congress to devise a better method of raising and spending campaign funds. The spiraling cost of getting elected, the huge sums required for effective use of the mass media, the consequent reliance on a few sources of great revenue, the mounting difficulty that men of limited means face in trying to enter public life—these trends pose grave threats to the structure of our democratic system.

This bill is not a comprehensive election reform bill. It does not provide a method of public campaign financing; it does not deal with a candidate's access to the media; it does not provide a mechanism by which a man without great wealth can seek office on the basis of his ability and worth.

But it does meet some of the most flagrant abuses in current campaign financing—abuses which have flourished despite the Corrupt Practices Act of 1925. Its disclosure requirements will at least bring to the public's attention the sources of current campaign financing—and in so doing, may help propel a movement toward thoroughgoing reform.

The bill cuts through the maze of ad hoc committees which are often nothing more than conduits for large contributors. It requires all committees—whether

local, State or national—to file financial statements if they received or spent more than $1000 in any 1 year. It thus may help end the creation of financial "fronts" whose expenditures are at present outside the scope of supervision.

Moreover, by reaching primary campaign expenditures, the bill will bring supervision to a part of the political process currently without control—yet which is often the only important part of the election campaign.

The Election Reform Act is modest and realistic. It seeks only to bring into public light those practices which now form the most important—and unregulated—part of campaign financing. And it may well give us the information we need to begin the hard task of comprehensive reform of campaign financing.

I urge its adoption.

The PRESIDING OFFICER. All time having expired, and 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 legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from North Carolina [Mr. JORDAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. METCALF], the Senator from Rhode Island [Mr. PELL], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. METCALF], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], and the Senator from Rhode Island [Mr. PELL] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent.

If present and voting, the Senator from Colorado [Mr. DOMINICK] would vote "yea."

The result was announced—yeas 87, nays 0, as follows:

[No. 247 Leg.]

YEAS—87

Aiken	Case	Griffin
Allott	Church	Gruening
Baker	Cooper	Hansen
Bartlett	Cotton	Harris
Bayh	Curtis	Hartke
Bennett	Dirksen	Hatfield
Boggs	Dodd	Hayden
Brewster	Eastland	Hickenlooper
Brooke	Ellender	Hill
Burdick	Ervin	Holland
Byrd, Va.	Fannin	Hollings
Byrd, W. Va.	Fong	Hruska
Cannon	Fulbright	Inouye
Carlson	Gore	Jackson
Javits	Monroney	Scott
Jordan, Idaho	Montoya	Smathers
Kennedy, Mass.	Morse	Smith
Kennedy, N.Y.	Morton	Sparkman
Kuchel	Moss	Spong
Lausche	Mundt	Stennis
Long, Mo.	Murphy	Talmadge
Long, La.	Nelson	Thurmond
McCarthy	Pastore	Tower
McClellan	Pearson	Tydings
McGee	Percy	Williams, N.J.
McGovern	Prouty	Williams, Del.
McIntyre	Proxmire	Yarborough
Miller	Randolph	Young, N. Dak.
Mondale	Ribicoff	Young, Ohio

NAYS—0

NOT VOTING—13

Anderson	Jordan, N.C.	Pell
Bible	Magnuson	Russell
Clark	Mansfield	Symington
Dominick	Metcalf	
Hart	Muskie	

So the bill (S. 1880) was passed, as follows:

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Election Reform Act of 1967".

TITLE I

AMENDMENTS TO CRIMINAL CODE

SEC. 101. Section 591 of title 18 of the United States Code is amended to read as follows:

"§ 591. Definitions

"When used in sections 597, 599, 602, 608, and 610 of this title—

"(a) The term 'election' means (1) a general, special, or primary election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, or (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President;

"(b) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected. For purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he (1) has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

"(c) The term 'Federal office' means the office of President or Vice President of the United States, or of Senator or Representative in, or Resident Commissioner to, the Congress of the United States;

"(d) The term 'political committee' means any individual, committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(e) The term 'contribution' means a gift, subscription, loan, advance, or deposit of money or any thing of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, and includes a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution, and also includes a transfer of funds between political committees;

"(f) The term 'expenditure' includes a purchase, payment, distribution, loan, advance, deposit, or gift of money or any thing of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, and includes a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make an expenditure, and also includes a transfer of funds between political committees;

"(g) The term 'person' or the term 'whoever' means an individual, partnership, committee, association, corporation, or any other organization or group of persons."

SEC. 102. Section 600 of title 18 of the United States Code is amended to read as follows:

"§ 600. Promise of employment or other benefit for political activity

"Whoever, directly or indirectly, promises any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in whole or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, shall be fined not more than $1,000 or imprisoned not more than one year, or both."

SEC. 103. Section 602 of title 18 of the United States Code is amended—

(a) by inserting "(a)" before "Whoever", and

(b) by adding at the end thereof the following new subsection:

"(b) Whoever, acting on behalf of any political committee (including any State or local committee of a political party), directly or indirectly intentionally or willfully solicits, or is in any manner concerned in soliciting, any assessment, subscription, or contribution for the use of such political committee or for any political purpose whatever from any officer or employee of the United States (other than an elected officer) shall be fined not more than $5,000 or imprisoned not more than three years, or both."

SEC. 104. Section 608 of title 18 of the United States Code is amended to read as follows:

"§ 608. Limitation on political contributions and purchases

"(a) It shall be unlawful for any person, directly or indirectly, to make a contribution or contributions in an aggregate amount in excess of $5,000 during any calendar year in connection with any campaign for nomination for election, or election to any political committee or candidate, to two or more political committees substantially supporting the same candidate, or to a candidate and one or more political committees substantially supporting the candidate: *Provided, however,* That nothing contained in this subsection shall prohibit the transfer of contributions received by a political committee.

"(b)(1) It shall be unlawful for any political committee or candidate to sell goods, commodities, advertising, or other articles, or any services (except as provided in section 204(b)(2) of the Campaign Funds Disclosure Act of 1967) to anyone other than a political committee or candidate.

"(2) It shall be unlawful for any person, other than a political committee or candidate, to purchase goods, commodities, advertising, or other articles, or any services (except as provided in section 204(b)(2) of

the Campaign Funds Disclosure Act of 1967) from a political committee or candidate.

"(c) Whoever violates subsection (a) or (b) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(d) Subsection (b) of this section shall not apply to a sale or purchase (1) of any political campaign pin, button, badge, flag, emblem, hat, banner, or similar campaign souvenir or any political campaign literature or publications (but shall apply to sales of advertising including the sale of space in any publication), for prices not exceeding $25 each, (2) of tickets to political events or gatherings, (3) of food or drink for a charge not substantially in excess of the normal charge therefor, or (4) made in the course of the usual and known business, trade, or profession of any person or in a normal arm's-length transaction: *Provided, however,* That a sale or purchase described in paragraph (1), (2), or (3) shall be deemed a contribution under subsection (a) of this section.

"(e) For the purposes of this section, a contribution made by the spouse or a minor child of a person shall be deemed a contribution made by such person.

"(f) In all cases of violations of this section by a partnership, committee, association, corporation, or other organization or group of persons, the officers, directors, or managing heads thereof who knowingly and willfully participate in such violation shall be punished as herein provided."

SEC. 105. Section 609 of title 18 of the United States Code is repealed.

SEC. 106. Section 611 of title 18 of the United States Code is amended to read as follows:

"§611. Contributions by Government contractors

"Whoever, including a corporation, entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (a) the completion of performance under, or (b) the termination of negotiations for, such contact or furnishing of material, supplies, equipment, land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"Whoever knowingly solicits any such contribution from any such person for any such purpose during any such period—

SEC. 107. So much of the sectional analysis at the beginning of chapter 29 of title 18 of the United States Code as relates to sections 609 and 611 is amended to read:

"609. Repealed.

"611. Contributions by Government contractors."

TITLE II—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

SEC. 201. DEFINITIONS.—

When used in this title—

(a) The term "election" means (1) a general, special, or primary election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, or (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President;

(b) The term "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected. For purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he (1) has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) The term "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Resident Commissioner to, the Congress of the United States;

(d) The term "political committee" means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

(e) The term "contribution" means a gift, subscription, loan, advance, or deposit of money or any thing of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as presidential and vice-presidential electors, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution, and also includes a transfer of funds between political committees;

(f) The term "expenditure" includes a purchase, payment, distribution, loan, advance, deposit, or gift of money or any thing of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as presidential and vice-presidential electors, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, and also includes a transfer of funds between political committees;

(g) The term "Clerk" means the Clerk of the House of Representatives of the United States;

(h) The term "Secretary" means the Secretary of the Senate of the United States;

(i) The term "person" includes an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons;

(j) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 202. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and address of the person making such contribution, and the date on which received. All funds of a political committee shall be kept separate from other funds.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the full name and mailing address of every person making any contribution, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee; and

(4) the full name and mailing address of every person to whom any expenditure is made, and the date and amount thereof.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee of $100 or more in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds $100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Secretary or Clerk, as the case may be.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 203. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 shall, within ten days after its organization or, if later, ten days after the date on which it has information which causes it to anticipate it will receive contributions or make expenditures in excess of $1,000, file with the Secretary or Clerk, as the case may be, a statement of organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Secretary or Clerk, as the case may be, at such time as he prescribes.

(b) The statement of organization shall include—

(1) the name and address of the committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) a listing of all banks, safety deposit boxes, or other repositories used;

(10) a statement of the reports required to be filed by the committee with State or local officers, and if so, the names, addresses, and positions of such persons; and

(11) such other information as shall be required by the Secretary or Clerk.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Secretary or Clerk, as the case may be, within a ten-day period following the change.

(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate

amount exceeding $1,000 shall so notify the Secretary or Clerk, as the case may be.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 204. (a) Each treasurer of a political committee supporting a candidate or candidates for election to the office of President or Vice President of the United States or Senator, and each candidate for election to such office, shall file with the Secretary, and each treasurer of a political committee supporting a candidate or candidates for election to the office of Representative in, or Resident Commissioner to, the Congress of the United States, and each candidate for election to such office, shall file with the Clerk, reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the 10th day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the 31st day of January. Such reports shall be complete as of such date as the Secretary may prescribe, which shall not be less than five days before the date of filing.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in the aggregate amount or value of $100 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all such transfers;

(5) each loan to or from any person within the calendar year in the aggregate amount or value of $100 or more, together with the full names and mailing addresses of the lender and endorsers, if any, and the date and amount of such loan;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fund-raising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $100 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address of each person to whom an expenditure or expenditures have been made by such committee or candidate within the calendar year in the aggregate amount or value of $100 or more, and the amount, date, and purpose of each such expenditure;

(10) the full name and mailing address of each person to whom an expenditure for personal services, salaries, and reimbursed expenses of $100 or more has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the Secretary or Clerk may prescribe;

(13) such other information as shall be required by the Secretary or Clerk.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 205. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, aggregating $100 or more within a calendar year shall file with the Secretary or Clerk, as the case may be, a statement containing the information required by section 204. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 206. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the Secretary or Clerk, as the case may be, in a published regulation.

(c) The Secretary or Clerk may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 204 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.

(d) The Secretary or Clerk, as the case may be, shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

REPORTS ON CONVENTION FINANCING

SEC. 207. Each committee or other organization which—

(1) represents at State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, shall, within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with the Secretary a full and complete financial statement, in such form and detail as he may prescribe, the sources from which it derived its funds, and the purposes for which such funds were expended.

DUTIES OF THE SECRETARY AND CLERK

SEC. 208. (a) It shall be the duty of the Secretary and Clerk, respectively—

(1) to develop prescribed forms for the making of the reports and statements required to be filed with him under this title;

(2) to prepare and publish a manual setting forth recommended uniform methods of bookkeeping and reporting for use by persons required to make such reports and statements;

(3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(4) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person;

(5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(6) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate;

(7) to prepare and publish an annual report including compilations of (A) total reported contributions and expenditures for all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as he shall determine and broken down into candidate, party, and nonparty expenditures on the National, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as he shall determine and broken down into contributions on the National, State, and local levels for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed the sum of $100 or more;

(8) to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(9) to prepare and publish such other reports as he may deem appropriate;

(10) to assure wide dissemination of statistics, summaries, and reports prepared under this Act;

(11) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title;

(12) to report apparent violations of law to the appropriate law enforcement authorities; and

(13) to prescribe suitable rules and regulations to carry out the provisions of this title.

(b) In the performance of their duties under this Act, the Secretary and Clerk shall coordinate their activities with the activities of the Comptroller General under the Presidential Election Campaign Fund Act of 1966.

STATEMENTS FILED WITH CLERK OF UNITED STATES COURT

SEC. 209. (a) A copy of each statement required to be filed with the Secretary or Clerk by this title shall be filed with the clerk of the United States district court for the judicial district in which is located the principal office of the political committee or, in the case of a statement filed by a candidate or other person, in which is located such person's residence. The Secretary or Clerk may require the filing of reports and statements required by this Act with the clerks of other

United States district courts where he determines the public interest will be served thereby.

(b) It shall be the duty of the clerk of a United States district court under subsection (a)—

(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with such clerks;

(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person; and

(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

PROHIBITION ON CONTRIBUTIONS IN NAME OF ANOTHER

SEC. 210. No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

PENALTY FOR VIOLATIONS

SEC. 211. Any person who violates any of the provisions of this title shall be fined not more than $1,000 or imprisoned not more than one year, or both.

STATE LAWS NOT AFFECTED

SEC. 212. (a) Nothing in this title shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this title.

(b) The Secretary and Clerk shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.

PARTIAL INVALIDITY

SEC. 213. If any provision of this title, or the application thereof, to any person or circumstance is held invalid, the validity of the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

REPEALING CLAUSE

SEC. 214. (a) The Federal Corrupt Practices Act and all other Acts or parts of Acts inconsistent herewith are repealed.

(b) In case of any conviction under this Act, where punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only, and shall not carry with it a loss of citizenship.

CITATION

SEC. 215. This title may be cited as the "Campaign Funds Disclosure Act of 1967."

TITLE III

AUTHORIZATION OF APPROPRIATIONS AND EFFECTIVE DATE

SEC. 301. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 302. This Act shall take effect January 1, 1968.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McINTYRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make necessary and technical and clerical corrections in the engrossment of S. 1880.

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

DEATH OF THOMAS E. MILLSOP

Mr. RANDOLPH. Mr. President, earlier today an illustrious American, Thomas E. Millsop, died at his home in Weirton, W. Va.

Tom Millsop was more than a great industrialist. His leadership in the steel industry is attested to by the many years during which he headed the Weirton Steel Co., a part of the National Steel Corp., which he served as honorary chairman and director for several years.

Tom Millsop gave of himself in the building of a better community—the community in which he lived his life. He did not wish to seek so-called high public office. There are those who believe—and properly so—that he could have been elected to important office in our State and Nation.

However, Tom Millsop decided otherwise. He was a community man, and so he offered himself as a candidate for the mayorship in that fine city in the northern panhandle of West Virginia where he served several terms while serving also as president of a steel company with some 12,000 devoted employees—the Wierton Steel Co. at Weirton, W. Va.

Tom Millsop was a humanitarian with a special interest in young people.

He served with distinction as a member and later as president of the West Virginia University Board of Governors. This man whom I was privileged to know was a humble individual. He was a man of reasoned convictions. And his opinions were never dogmatic.

There are those of us, not of his party, because he was an outstanding Republican leader, who valued his counsel and good will.

I rise in the Senate this afternoon to express appreciation for the career and the conscience of such a man. His days were filled with the fruits of a good life. All of the employees of the company he headed and in which he was active—he was at his office yesterday—and all of his associates in that vast organization looked on him as one of them. And he was truly that.

Tom Millsop was a leader, but I never thought of him as being only a leader as much as I did of his having asked those in whom he believed to stand alongside him as he walked forward to make useful and meaningful contributions to a life of business, to a life of public service, and to a life of personal success. He shared with others.

Our State and its people, and even the Nation but, more importantly, the community and the company of which he was a part are the better for his having lived fully and well.

The impact of this man's life will be felt in the years ahead.

On behalf of Mrs. Randolph and myself, I extend our sincere sympathy to his wife and daughters, to all members of the family, to the workers of that company to which he was so devoted, and to those who knew him and loved him.

We are deeply conscious of the void which is left by his passing.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to my distinguished colleague from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I can add nothing to the eulogy which has been so appropriately and beautifully expressed by my distinguished senior colleague with reference to the untimely passing of Mr. Tom Millsop, except to say that I join with him in expressing sorrow on my own behalf and on behalf of my family and our fellow West Virginians that this great humanitarian, great industrialist, great West Virginia citizen, and great American has left us; and to say, also, that West Virginia, indeed, and its people are better off for Tom Millsop's having lived and walked among us.

On behalf of myself and my family, I wish to express our sympathy to the family and the close relatives of Mr. Millsop, and to assure them that Mr. Millsop's great host of friends share the sorrow which has come to them.

Mr. RANDOLPH. I thank my colleague for adding this sincere sentiment.

REPORT ON AIR WAR AGAINST NORTH VIETNAM

Mr. STENNIS. Mr. President, on August 31, 1967, the Preparedness Investigating Subcommittee, which I am privileged to chair, issued a summary report on the conduct and effectiveness of the air war against North Vietnam.

The subcommittee report deals with one of the most crucial and critical problems now confronting this Nation. It was adopted unanimously by the full membership of the subcommittee, which is composed of the following Senators: Mr. SYMINGTON of Missouri, Mr. JACKSON of Washington, Mr. CANNON of Nevada, Mr. BYRD of West Virginia, Mrs. SMITH of Maine, Mr. THURMOND of South Carolina, and Mr. MILLER of Iowa.

In view of its importance, I ask unanimous consent that certain excerpts from the report be printed at this point in the RECORD.

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

AIR WAR AGAINST NORTH VIETNAM

In view of the importance of the air campaign in North Vietnam on June 28, 1967, the subcommittee announced it would conduct an extensive inquiry into the conduct and effectiveness of the bombing campaign over North Vietnam.

Since commencing hearings on August 9, 1967, we have heard the most knowledgeable and qualified witnesses, including both military leaders and the Secretary of Defense. In order of their appearance, the witnesses were Adm. Ulysses S. G. Sharp, commander in chief, Pacific forces; Adm. Roy Johnson, commander of the Pacific Fleet; Gen. John Ryan, commanding general of the Pacific Air Force; Gen. Earle G. Wheeler, Chairman of the Joint Chiefs of Staff; Lt. Gen. Robert Momyer, commanding general of the 7th Air Force in Vietnam; Gen. John P. McConnell, Chief of Staff, U.S.

Air Force; Adm. T. H. Moorer, Chief of Naval Operations; Secretary of Defense Robert S. McNamara; Gen. Harold K. Johnson, Chief of Staff, U.S. Army; Gen. Wallace M. Greene, Commandant, U.S. Marine Corps; and Maj. Gen. Gilbert L. Meyers, U.S. Air Force (retired), formerly deputy commander of the 7th Air Force in Saigon.

We believe that we now have the basic and fundamental facts which underlie the air campaign against North Vietnam. In view of the fact that this is one of the most crucial and critical problems confronting the Nation, this report is being issued so the Congress and the American people can have the benefit of our findings at this time. A formal and more detailed report will be issued at a later date.

II. PURPOSES OF THE AIR WAR

It must be emphasized that the air campaign against North Vietnam is a highly important, integral, and truly indispensable part of the overall strategy involved in the conduct of the war in Southeast Asia. Its major objectives are (*a*) to obstruct, reduce, harass, and impede the flow of war-supporting materiel and personnel within North Vietnam and from North Vietnam to South Vietnam; (*b*) to destroy those military and industrial resources of North Vietnam that contribute most to the support of its aggression; (*c*) to reduce the flow of external assistance being provided to North Vietnam; and (*d*) to cause North Vietnam to pay an unacceptable price for its aggression.

The subcommittee has always recognized that the air war in the north is not a substitute for the ground war in South Vietnam. We have always considered it to be only one phase, albeit a highly essential and important one, of the overall integrated war effort. Those who suggest otherwise merely create a strawman and waste their energy upon the destruction of it.

That the air campaign has not achieved its objectives to a greater extent cannot be attributed to inability or impotence of airpower. It attests, rather, to the fragmentation of our own air might by overly restrictive controls, limitations, and the doctrine of "gradualism" placed on our aviation forces which prevented them from waging the air campaign in the manner and according to the timetable which was best calculated to achieve maximum results.

III. HISTORY AND DEVELOPMENT OF THE AIR WAR

The bombing campaign against North Vietnam was authorized in February 1965. Shortly thereafter our military leaders, notably the Joint Chiefs of Staff, recommended a list of 94 fixed targets for strike which they considered militarily significant. These targets were not approved. Instead, strikes were limited to a relatively small section in the southern areas of North Vietnam and initially only a small weight of effort was employed.

Throughout, the tempo of the air campaign has been based on a gradual and carefully controlled application of power. Through 1966, the great bulk of the effort was expended on attacking the enemy's lines of communication well south of the vital areas of Hanoi and Haiphong, while the important targets in the vital northeast quadrant of North Vietnam, where the bulk of its war-supporting resources are concentrated, remained relatively untouched. Only 22 of the 242 targets on the Joint Chiefs of Staff list were struck in 1966 and less than 1 percent of the sorties flown were directed against fixed targets on the JCS list.

While it is clear that at least through January 1967, the careful controls and restrictive ground rules had resulted in the application of our airpower in a manner which was of limited effectiveness, commencing in January 1967 the use of our airpower was gradually extended. More consistent attacks were authorized against the enemy's more important military targets, such as its transportation network and war-supporting industries, particularly in the areas surrounding Hanoi and Haiphong. This important northeast area of North Vietnam contains industrial facilities, important military complexes, and key elements of the transportation system which are most important to North Vietnam in enabling it to support the aggression against South Vietnam.

In the spring of 1967, certain important targets were approved for strike and the weight of our air campaign was intensified, particularly with respect to the vital northeast quadrant, including the Hanoi-Haiphong complex. Targets such as electric power systems, the steel industry, airfields, and some important segments of the transportation system were authorized for strike. Thus, military leaders stated that more had been done in the past 3 months than was achieved in the previous 18 months—all because significant targets were being approved, largely for the first time.

Admiral Sharp testified on August 9, 1967, "During the last 3 months, with an expanded target list but with no significant departure from the broad restraints under which we have long operated, we have begun to hurt the enemy in his home territory." He quickly added that: "Now when the enemy is hurting, we should increase our pressures."

The weather over North Vietnam has been unusually good this spring and summer. It must be borne in mind that the northeast monsoon from mid-October to April cuts down severely on the number of targets that can be struck. Hence, in July the military needed many profitable targets to employ its air forces effectively.

It was with gratification that the subcommittee learned that on August 8, 1967, 1 day before the hearing commenced, additional important targets were approved, many for the first time. Notably the list included targets in the buffer zone along the Red Chinese border in which strikes had long been prohibited. In addition, the vital Hanoi bridge over the Red River was hit for the first time. This bridge handles the rail traffic from Red China over the northeast railway and the vital shipments from Haiphong to Hanoi.

It should be noted that since our air attacks began the enemy has accomplished a tremendous and very formidable buildup in his air defenses. The North Vietnamese air defense environment overall, including antiaircraft fire, surface-to-air missiles, and Mig aircraft over the heavily defended targets in North Vietnam, has been described as the most deadly that the world has ever seen. The massive air defenses have exacted a heavy toll of American aircraft and pilots. More than 660 planes have been shot down over North Vietnam. The long delay in approving targets in North Vietnam has almost certainly contributed to our aircraft and pilot losses since it gave the North Vietnamese the time to build up formidable air defenses. Moreover, the long delay enabled the enemy to prepare for a response to the anticipated loss of installations, such as petroleum storage, by dispersal of facilities and building reserve stocks.

An important area of controversy and difference of opinion between Secretary McNamara and the military experts lies in the evaluation of the impact of the air campaign in the north on U.S. casualties in the south. General McConnell was typical of all military testimony when he stated: "It is my opinion that that is correct," in response to the question, "Would not the converse be true in that we probably would have suffered fewer casualties in the south if the air campaign against the north had not been burdened with restrictions and prohibited targets?" All other military witnesses asked the question had the same view.

Secretary McNamara is in clear and complete disagreement with this assessment. He was asked: "Would we in all probability have experienced fewer casualties in the south had those restrictions and prohibitions not been imposed against the bombing of the north?" Secretary McNamara responded: "It is my very firm opinion that regardless of what other merit there might have been for following different practice of air activity against the north in the past, it would not have reduced our casualties in the south."

He continued: "I am simply saying that I have seen no evidence of any kind submitted by any agency that is involved in analysis of our north and south operations that indicates that an accelerated campaign of air attacks against the north in the past would have reduced our casualties in the south and I have seen considerable evidence that points to the opposite conclusion that it would not have."

As stated above, the overwhelming weight of the testimony by military experts is to the contrary.

IV. NATURE AND EFFECT OF RESTRICTIONS

Formerly both the Joint Chiefs of Staff and the commander in chief of the Pacific forces maintained target lists which were used as the basis of planning for attacks on fixed targets. Targets on the JCS list could not be hit without the approval of the Secretary of Defense and other high civilian authority. As a result, *during the entire year of 1966 less than 1 percent of the total sorties flown against North Vietnam were against fixed targets on the JCS target list.* This clearly demonstrates the previous difficulty in obtaining approval for striking the more meaningful fixed targets. The Secretary of Defense has endeavored to leave the impression that the fixed targets on these lists are generally industrial-type targets. The fact is that some of the most important are key bridges, railroad repair shops, storage areas, vehicle repair shops, concentration yards, and other targets which are vital to the enemy's transportation network and which he utilizes in moving materiel and supplies from the Port of Haiphong and the border of Red China through North Vietnam to South Vietnam for use against our troops and those of our Allies.

Recently the JCS and CINCPAC target lists have been combined into the operating target list. This now contains a total 427 targets and as of August 25, 1967, 359 of these had been recommended for strike and strikes had been authorized against 302. Thus, there were 57 targets recommended by the Joint Chiefs of Staff against which strikes have not been authorized.

This addresses itself to only part of the picture. Many long recommended targets were authorized for the first time in August 1967. As a matter of fact, Admiral Sharp had recommended 129 targets to Secretary McNamara when he briefed him in Saigon on July 1967. General Wheeler stated that as of August 9, 1967, there were 111 unauthorized targets and that the JCS recommended that 70 of them be authorized for strike. The remaining 41, while retained on the target list, were not recommended at that time.

It is important to stress that the target list discussed above by no means contains all of the fixed targets in North Vietnam. Targets are added from time to time as they are recognized as profitable and important military targets and other targets are dropped from the list as they become inoperative.

In addition, the authority to make an initial strike upon a target is not always sufficient. The North Vietnamese have shown a great and increasing capacity for repairing and restoring targets so that many targets, even though previously struck, are quickly regenerated, restored, and require restrike. Restrike authority was often not allowed, particularly with respect to important targets around Hanoi and Haiphong and in other sanctuary areas.

Further, there are sanctuary areas in North Vietnam in which strikes are prohibited except with express prior approval from Washington civilian authority. These sanctuary areas obviously cannot be discussed at any length in this unclassified report. However, we do call attention to press reports of airstrikes in recent weeks on targets in the buffer zone along the border of Red China for the first time. Many of these targets are vital to North Vietnam's transportation net.

The existence of the sanctuary areas in North Vietnam are not based exclusively on military considerations. These sanctuaries have enabled the North Vietnamese to concentrate their warmaking materiel in these areas, which are safe and secure from bombing, and ready them for the dash southward over vulnerable land, rail, and water routes under cover of darkness and bad weather. Whether warranted or not, it is clear that the sanctuaries have reduced and curtailed the effectiveness of our air operations and reduced the impact of the bombing campaign upon the enemy's ability to support the war and infiltrate men and materiel to the south. This is one of the reasons why, through January 1967, the application of our airpower was relatively ineffective, and much more ineffective than it should have been.

V. REMAINING MILITARILY SIGNIFICANT TARGETS

On August 25, 1967, there were 57 targets recommended by the Joint Chiefs of Staff against which strikes have not been authorized. Another 68 targets on the operating target list are not currently recommended by the Joint Chiefs. The Secretary of Defense in his appearance before the subcommittee took great pains to minimize and deprecate the significance of the 57 recommended targets which have not been approved. He said: "The present importance of such targets as these has not been shown to warrant risking the loss of American lives." Yet in the past many American lives have been lost by striking approved targets which were clearly of much less significance than many of those recommended but not approved.

It was clearly implied by the Secretary of Defense that few, if any, important military targets remained unstruck. The great weight of the military testimony was to the contrary. General McConnell stated: "There are many valuable targets remaining unstruck." General Wheeler stated that the 57 targets under discussion were worthwhile targets and said: "There is no question about that." Admiral Sharp said: "There are many lucrative targets that have not yet been struck, * * * that we consider important." As late as August 28, General Greene said: "The key targets have not even yet been hit."

Obviously, high on the list, from the standpoint of priority of importance is the closure or neutralization of the Port of Haiphong. As the Secretary of Defense said, the great bulk of North Vietnam's imports now enter through Haiphong, perhaps as much as 4,700 out of 5,800 tons per day. This, the Secretary of Defense said, includes most of the war-supporting materiel, such as trucks, generators, and construction equipment. However, in weighing the risks involved in closing this port, he discounts the value of closing Haiphong and asserts that Hanoi's present heavy reliance on it reflects convenience rather than necessity. He concludes that cutting off seaborne imports would not prevent North Vietnam from continuing its present level of military operations in the south and would not, in fact, eliminate seaborne imports. He said that North Vietnam could sustain its required import rate by way of land, rail, and water from Red China.

This position contrasts sharply with the views of military experts. For example, Admiral Sharp testified: "I have seen studies that say that the roads and the railroads have sufficient capacity even if you mine Haiphong that they would still get enough done. I frankly do not believe it."

Supporting the present level of enemy forces in South Vietnam is not the only problem posed by imports into North Vietnam. Large quantities of war materiel are needed to support enemy forces in the DMZ, and thousands of tons of antiaircraft ammunition are needed to support the air defenses in the North. Practically all of this is imported.

All military witnesses stated that the closure, neutralization, or isolation of the Port of Haiphong was the single most important thing which could be done in North Vietnam from a military standpoint. They felt that this measure, if accomplished, would have a substantial impact on the course of the war and the American and allied casualties in the south. Not only did they feel that it is necessary from a military standpoint, but they think that it is entirely feasible. They also feel that closure of the port would have a very substantial impact on the flow of goods and supplies into North Vietnam.

Obviously, the question of closing or neutralizing Haiphong has important policy and political considerations over and above the pure military requirements, including the reaction, if any, of the U.S.S.R. or Red China. This is a serious and legitimate question, but it does not justify the Secretary in taking the position that closing or neutralizing this vital port is unimportant from a military standpoint, a position which is entirely at odds with the unanimous judgment of all of our military experts. The subcommittee does not believe the Secretary's position on this matter is valid.

VI. IMPACT OF PREVIOUS BOMBINGS

Despite the restrictions and controls placed on our air campaign, it has had a substantial impact on North Vietnam, particularly in the last several months. During this latter period our aviation forces have been able to achieve a level of effort not previously possible. The growing weight of our efforts has brought an extensive destruction or disruption of North Vietnam's war-supporting resources.

The constant attacks on rail lines, truck routes, trucks, railroad rolling stock, and ocean barges have eroded the country's transportation capabilities. As a result, the air campaign held down the infiltration of men and materiel into South Vietnam and significantly restricted the level of enemy forces that can be sustained there. It is important to emphasize that a complete stoppage of the infiltration was never anticipated. However, it is clear that the bombing campaign has reduced the level of infiltration, especially of materiel, well below that which would be possible if the traffic had been left unimpeded. This has served to reduce the enemy's ability to conduct major sustained operations in South Vietnam and, thus, has resulted in the reduction of American casualties.

Members of the Joint Chiefs told us that if the air campaign in the north had not been initiated, the scope of the ground war in South Vietnam might have been greatly expanded. General McConnell said that Hanoi had the potential manpower to build the combined Vietcong and North Vietnamese forces in South Vietnam to nearly double what they are today. He pointed out that coping with such a buildup and capability would have required a large increase in our own ground forces commitment, "perhaps more than 800,000 additional U.S. troops at a cost of $75 billion over what we have already spent."

In addition, as Secretary McNamara himself testified, the North Vietnamese have had to divert over 500,000 people to maintaining and repairing the lines of communication such as roads, rail networks, etc.—not an insignificant number in a country totaling 18.5 million. What they could have done in South Vietnam with 500,000 men freed from the shackles of maintaining lines of communication in North Vietnam is not pleasant to contemplate.

Thus, weighed against the situation which would have existed had the air campaign not been mounted, it is clear that the air effort against North Vietnam has borne substantial fruits and has been as effective as might be expected considering the restrictions and inhibitions placed on our airpower by civilian authorities in Washington. That greater results have not been achieved is attributable, in our judgment, to these restrictions rather than to any lack of skill or ability of our aviation forces or of ingenuity, courage, and dedication of our soldiers, sailors, and airmen.

We believe the air campaign has been crucial and vital in saving many American and allied lives in South Vietnam. We believe also that the enemy has been hurt in his homeland and, while he is thus hurt, the pressure should be increased and not reduced to persuade him that his continued support of the war in South Vietnam is definitely not in his best interests. The propaganda campaign from Hanoi designed to stop the bombing is strong evidence that the enemy is paying a price he does not wish to pay.

VII. PROPOSALS TO SUSPEND OR RESTRICT AIR WAR

Many proposals have been heard recently calling for a curtailment of our air campaign against North Vietnam, including a complete cessation of the bombing in certain vital areas. It is clear from the record that all of these proposals have received some discussion in official circles. It is less clear that they are dead at this time.

Each of these proposals has the serious fault that, if adopted, the inevitable result would be an increased infiltration of men and war goods into South Vietnam and increased casualties among U.S. and allied troops. The impact of a complete cessation of the bombing is clearly apparent. As Admiral Sharp testified: "It generally would be a disaster for the United States in my opinion" as "we would immediately face a large increase in loss of American troops in South Vietnam," and "in my opinion extend the war indefinitely."

A territorial limitation of the bombing would also be a perilous course because it would afford the North Vietnamese many vital sanctuaries and enable them to expand the ground war in South Vietnam with a lesser penalty than is now being exacted. As an illustration, General Wheeler testified that a reduction of our bombing or imposition of additional restrictions on our air forces would cause increased U.S. and allied casualties in South Vietnam.

Those who propose a temporary bombing lull, as evidence of our good intentions in the hope that it would bring Hanoi to the conference table, overlook the hard facts of increased U.S. casualties and past history. The net effect of such truces was shown clearly by the Tet standdown in early 1967. We were told that during the 4-day lapse in air attacks during that period North Vietnam pushed through a volume of supplies that would have required at least 38 days to move during periods of our air activity. As a matter of fact, the tonnage figures reveal that supplies flowing southward during this 4-day lull were at least 600 percent greater than the figures cited by Secretary McNamara.

Conceding that these proposals are well meaning, we feel that they ignore the facts of life. Hanoi continues to demand the unilateral and unconditional suspension of the bombing campaign without any offer of reciprocal reduction of military action on its part. It does not even guarantee that meaningful talks would ensue if we suspended the bombing. It only suggests the possibility of such talks.

The subcommittee is firm in its belief that the desire for an early end to the fighting which we all share must not cause us to be so naive or foolish as to throw away one of our principal military advantages for shortening the war. There is no evidence whatever that North Vietnam has lowered or softened in any way the demands contained in the four-point stand originally proclaimed by Premier Pham Van Dong on April 8, 1967. These four points were that the United States must stop the bombing and other acts of war against North Vietnam permanently and unconditionally, withdraw all free world troops from South Vietnam, recognize the National Liberation Front as the sole genuine representative of the South Vietnamese people, and let the Vietnamese people settle their internal affairs themselves. These four points were reaffirmed as recently as July 1, 1967, by the North Vietnamese Communist Party's official newspaper, Nhan Dan.

VIII. NECESSITY FOR CONTINUING AND MAKING AIR WAR MORE EFFECTIVE

In our hearings we found a sharp difference of opinion between the civilian authority and the top-level military witnesses who appeared before the subcommittee over how and when our airpower should be employed against North Vietnam. In that difference we believe we also found the roots of the persistent deterioration of public confidence in our airpower, because the plain facts as they unfolded in the testimony demonstrated clearly that civilian authority consistently overruled the unanimous recommendations of military commanders and the Joint Chiefs of Staff for a systematic, timely, and hard-hitting integrated air campaign against the vital North Vietnam targets. Instead, and for policy reasons, we have employed military aviation in a carefully controlled, restricted, and graduated buildup of bombing pressure which discounted the professional judgment of our best military experts and substituted civilian judgment in the details of target selection and the timing of strikes. We shackled the true potential of airpower and permitted the buildup of what has become the world's most formidable antiaircraft defenses. This approach had considerable support from those who hoped to accomplish our objectives with minimum force and who feared that a greater use of airpower risked a confrontation with the U.S.S.R. and Communist China. It was adopted over contrary recommendations of the military leaders, but true to their tradition, they faithfully supported and implemented the orders of their civilian superiors.

This strategy has not brought the war to an end. It is true that we have (1) held down the flow of men and materiel infiltrated to the south; (2) raised the morale of the South Vietnamese people; and (3) required North Vietnam to pay a price for their continued aggression. Had we not taken the air action in the north and injected large-scale U.S. ground forces into the battle in the south, the Communists would surely have prevailed and freedom would have perished in South Vietnam. We have not lost, but we have not achieved our objectives and war goes on. The price we have exacted from North Vietnam for its continued aggression is one that it is still willing to pay and the level of interdiction of the southward flow of men and materiel has permitted enough infiltration to enable the enemy to continue the fight in the south.

It is not our intention to point a finger or to second guess those who determined this policy. But, the cold fact is that this policy has not done the job and it has been contrary to the best military judgment. What is needed now is the hard decision to do whatever is necessary, take the risks that have to be taken, and apply the force that is required to see the job through.

For reasons which are apparently convincing to him, although not to us, the Secretary of Defense deprecates the impact of a continued and more effective air campaign on Hanoi's ability and will to support the aggression in the south. The top military leaders of this country are confident that the Port of Haiphong can be closed, the land lines of communication to China interdicted, and Hanoi's receipt and distribution by sea and land routes of war-sustaining materiel greatly reduced by Air Force and Navy aviation if they are permitted to do so.

The subcommittee is of the opinion that we cannot, in good conscience, ask our ground forces to continue their fight in South Vietnam unless we are prepared to press the air war in the north in the most effective way possible. This requires closing the Port of Haiphong, isolating it from the rest of the country, striking all meaningful targets with a military significance, and increasing the interdiction of the lines of communication from Red China. The Secretary of Defense testified that he does not believe that such a campaign can stem the flow of supplies and goods sufficiently to prevent support of North Vietnamese and Vietcong combat activity in South Vietnam at its present level. The Joint Chiefs and other military experts believe it can accomplish more—much more. It is their judgment that less restricted air campaign which interdicts war materiel at the point of entry and the major arteries of supply will result in reduced support for aggression in South Vietnam and at the DMZ, curtailed activity by enemy units, and reduced casualties for American and allied ground forces.

As between these diametrically opposed views, and in view of the unsatisfactory progress of the war, logic and prudence requires that the decision be with the unanimous weight of professional military judgment. From the record made before us, this appears to offer the best and, very possibly, only hope for a successful end to the war as quickly as possible.

IX. CONCLUDING STATEMENT

We emphasize again that nothing in this report is meant to suggest the indiscriminate bombing of civilian or civilian population centers. No witness favored this. Certainly, the subcommittee does not recommend it. It is clear from the testimony, however, that within this limitation, many military actions already discussed which have thus far been withheld or restricted can and should be taken which are calculated to have a direct and adverse effect upon Hanoi's ability and willingness to continue to support the war.

Nor do we derogate in any manner the principle of civilian control of the military. We recognize this as one of the truly great bulwarks of our system of government. The best traditions of the military uphold this principle, and it has been scrupulously adhered to both in the conduct of this war and during these hearings. However, as the subcommittee said in a report issued on October 19, 1962, "If war should come, it can be conducted successfully only by professionals in that art and if strategy or tactics come under the influence or direction of unskilled amateurs, sacrifice in blood is inevitable and victory is in doubt."

All must agree that we are in a major war. More than 500,000 of our fighting men are engaged in deadly combat. We believe that, within the broad policies and objectives laid down by the Commander in Chief, unless compelling reasons to the contrary exist, this requires that greater weight be given to recommendations for military actions which our high ranking military experts, with lifetimes of experience and expertise behind them, believe to be necessary to bring the war to a successful conclusion.

When the decision was made to commit American fighting forces to South Vietnam, certain risks became inevitable. They were assumed at that time; otherwise we would not be in South Vietnam at all. Further and needless risks should not be incurred recklessly, but within this framework it should be our purpose to support our fighting men to the greatest extent possible and, within reasonable limits, to do that which is necessary to bring the war to an end as quickly and successfully as possible. That is the major thrust of this report.

Every military witness who testified emphasized that the air war has been waged under severe handicaps which were contrary to military principles. Complex and complicated rules and controls, plus the necessity to obtain approval in Washington for even relatively insignificant actions and tactics, have been the order of the day. We note that in recent months many of these restrictions have been eased but that others, vital to the success of the air war, remain in effect.

It is high time, we believe, to allow the military voice to be heard in connection with the tactical details of military operations.

A1C DUANE HACKNEY

Mr. GRIFFIN. Mr. President, I am pleased to call attention to the presence in Washington today of an airman from Michigan who was honored last Saturday by his country for extraordinary heroism in Vietnam. This was not the first time that he has been recognized for bravery and performance beyond the call of duty. Indeed, I have reason to believe that this young man is the most decorated American to serve in the Vietnam war.

A1c Duane Hackney, the son of Mr. and Mrs. Glendon Hackney of Flint, Mich., serves as a paramedic in the Air Force. He was sent to Vietnam last fall and was assigned to duty aboard a rescue helicopter. Such helicopters are a welcome sight to downed flyers, but the aircraft are unarmed and provide minimal protection for those inside. Rescue helicopters are prize targets for enemy guns.

On the sixth of February this year, the helicopter to which Airman Hackney was assigned was sent to the northern part of North Vietnam—to the Mu Gia Pass—to search for the pilot of a jet fighter who had just been shot down.

Despite the presence of many enemy troops in the jungles near the pass, Airman Hackney volunteered to be lowered to the ground to search for the missing pilot. Pressure by the North Vietnamese soldiers forced the rescue team to temporarily abandon its efforts and the young paramedic from Flint was hoisted back up to the helicopter.

Later, a second attempt proved more successful. The airman was again lowered to the jungle floor and this time located the downed pilot. Both men were quickly lifted aboard, but before the helicopter could flee to safety, heavy enemy weapons scored several direct hits and started a fire aboard the craft.

Completely disregarding his own safety, Airman Hackney slipped out of his parachute and buckled it around the rescued flyer. While searching for another parachute for himself, more shells ripped into the burning aircraft. Airman Hackney had just slipped his arms through the harness of a second parachute when a violent explosion inside the helicopter blew him through the open cargo door.

Although stunned, Airman Hackney

was able to deploy his unbuckled parachute and make a successful landing. He was rescued a short time later by a companion helicopter.

Airman Hackney has brought the highest credit to himself and the Air Force for his courageous and unselfish action in the face of extreme danger. In a moment of impending disaster, he put responsibility to the rescued pilot above the safety of his own life.

Last Saturday, in a ceremony at Scott Air Force Base, in Illinois, he was presented the Air Force Cross, the second highest honor awarded by the Air Force. For injuries he suffered during the action, he also was presented with the Purple Heart.

Airman Hackney is 20 years old, the youngest man ever to win the Air Force Cross and only the second enlisted man to do so.

As I have already indicated, acts of bravery are not uncommon to this young man. He has been recommended to receive the Bronze Star and the Silver Star. He has been awarded the National Defense Service Medal, the Distinguished Flying Cross, the Air Medal, the Airman's Medal for Heroism, and the Air Force Commendation Medal.

Mr. and Mrs. Hackney, of Flint, the people of Michigan, and the people of the Nation have good reason to be very proud of Duane Hackney. His record stands as an inspiration to all.

CAPT. ROBERT C. CRISP, U.S. AIR FORCE

Mr. BYRD of West Virginia. Mr. President, I ask the Chair to lay before the Senate a message from the House on S. 653.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 653) for the relief of Capt. Robert C. Crisp, U.S. Air Force which was, on page 2, line 8, after "Act." 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.

Mr. BYRD of West Virginia. I move that the Senate agree to the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

INCREASE OF APPROPRIATION FOR CONTINUING WORK IN THE MISSOURI RIVER BASIN

Mr. BYRD of West Virginia. Mr. President, I ask the Chair to lay before the Senate a message from the House on S. 1601, a bill to increase the appropriation authorization for continuing work in the Missouri River Basin.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1601) to increase the appropriation authorization for continuing work in the Missouri River Basin by the Secretary of the Interior which was, to strike out all after the enacting clause and insert:

That the Act of July 19, 1966 (80 Stat. 322), is hereby amended by changing "$60,000,000" to "$68,000,000".

Mr. BYRD of West Virginia. Mr. President, I move that the Senate agree to the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

PRINTING AS A SENATE DOCUMENT THE REPORT OF THE PROCEEDINGS OF THE 43D MEETING OF THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 547, Senate Concurrent Resolution 40.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 40) authorizing the printing of the report of the proceedings of the 43d meeting of the Convention of American Instructors of the Deaf as a Senate document.

The PRESIDING OFFICER. Is there objection?

There being no objection, the concurrent resolution was considered and agreed to, as follows:

S. CON. RES. 40

Resolved by the Senate (the House of Representatives concurring), That the report of the proceedings of the forty-third biennial meeting of the Convention of American Instructors of the Deaf, held in West Hartford and Hartford, Connecticut, June 25–30, 1967, be printed with illustrations as a Senate document; and that five thousand additional copies be printed and bound for the use of the Joint Committee on Printing.

ORDER OF BUSINESS

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.

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

PROTECTING THE PRIVACY AND RIGHTS OF FEDERAL EMPLOYEES

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 519, S. 1035. 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 (S. 1035) to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy.

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 the Judiciary, with amendments, on page 2, line 13, after the word "employment," to insert the following additional proviso:

Provided further, That nothing contained in this subsection shall be construed to prohibit inquiry concerning the national origin of any such employee when such inquiry is deemed necessary or advisable to determine suitability for assignment to activities or undertakings related to the national security within the United States or to activities or undertakings of any nature outside the United States.

On page 3, line 6, after the word "or" where it occurs the second time, to strike out the word "to"; on page 4, after line 6, to strike out:

(e) To forbid or attempt to forbid any civilian employee of the United States serving in the department or agency to patronize any business establishment offering goods or services to the general public.

On page 4, at the beginning of line 11, to change the subsection from "(f)" to "(e)"; in line 23, after the word "a", to strike out "psychiatrist" and insert "physician"; in line 25, after the word "such", to strike out "psychiatrist" and insert "physician"; on page 5, line 7, after the word "duties", to insert the following additional proviso:

Provided further, however, That nothing contained in this subsection shall be construed to prohibit an officer of the department or agency from advising any civilian employee or applicant of a specific charge of sexual misconduct made against that person, and affording him an opportunity to refute the charge.

In line 13, to change the subsection from "(g)" to "(f)"; in line 23, to change the subsection from "(h)" to "(g)"; on page 6 line 9, to change the subsection from "(i)" to "(h)"; in line 25, to change the subsection from "(j)" to "(i)"; on page 7, line 19, to change the subsection from "(k)" to "(j)"; in line 22, to strike out "(j)" and insert "(i)"; on page 8, at the beginning of line 4, to change the subsection from "(l)" to "(k)"; at the beginning of line 10, to change the subsection from "(m)" to "(l)"; on page 9, line 18, after the word "a", to strike out "psychiatrist" and insert "physician"; in line 21, after the word "such," to strike out "psychiatrist" and insert "physician"; on page 10, line 3, after the word "duties", to insert the following additional proviso:

Provided further, however, That nothing contained in this subsection shall be construed to prohibit an officer of the Civil Service Commission from advising any civilian employee or applicant of a specific charge of sexual misconduct made against that person, and affording him an opportunity to refute the charge.

On page 11, after line 4, to strike out:

SEC. 4. Any Officer of any executive department or any executive agency of the United States Government, or any person acting or

purporting to act under his authority, or any commissioned officer as defined in section 101 of title 10, United States Code, or any member of the Armed Forces acting or purporting to act under his authority, who willfully violates or willfully attempts to violate any of the provisions of section 1, 2, or 3 of this Act, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed $300, or by imprisonment not to exceed thirty days, or by both such fine and imprisonment.

At the beginning of line 16, to change the section number from "5" to "4"; on page 12, line 13, after the word "violation", to insert:

The Attorney General shall defend all officers or persons sued under this section who acted pursuant to an order, regulation, or directive, or who, in his opinion, did not willfully violate the provisions of this Act.

On page 13, line 15, to change the section number from "6" to "5"; on page 17, line 21, after the word "to" where it occurs the second time, to strike out "sign charges and specifications under section 830 (article 30)" and insert "convene general courts martial under section 822 (article 22"; on page 18, line 13, after the word "subsection", to strike out "(j)" and insert "(k)"; on page 19, after line 5, to insert a new section, as follows:

SEC. 6. Nothing contained in this Act shall be construed to prohibit an officer of the Central Intelligence Agency or of the National Security Agency from requesting any civilian employee or applicant to take a polygraph test, or to take a psychological test, designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters, or to provide a personal financial statement, if the Director of the Central Intelligence Agency or the Director of the National Security Agency makes a personal finding with regard to each individual to be so tested or examined that such test or information is required to protect the national security.

After line 21, to insert a new section, as follows:

SEC. 8. Nothing contained in sections 4 and 5 shall be construed to prevent establishment of department and agency grievance procedures to enforce this Act, but the existence of such procedures shall not preclude any applicant or employee from pursuing the remedies established by this Act or any other remedies provided by law: *Provided, however,* that if under the procedures established, the employee or applicant has obtained complete protection against threatened violations or complete redress for violations, such action may be pleaded in bar in the United States District Court or in proceedings before the Board on Employee Rights: *Provided further, however,* That if an employee elects to seek a remedy under either section 4 or section 5, he waives his right to proceed by an independent action under the remaining section.

And on page 20, line 13, to change the section number from "8" to "9", so as to make the bill read:

S. 1035

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

SECTION 1. It shall be unlawful for any officer of any executive department or any executive agency of the United States Government, or for any person acting or purporting to act under his authority, to do any of the following things:

(a) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency, or any person seeking employment in the executive branch of the United States Government, to disclose his race, religion, or national origin, or the race, religion, or national origin of any of his forebears: *Provided, however,* That nothing contained in this subsection shall be construed to prohibit inquiry concerning the citizenship of any such employee or person if his citizenship is a statutory condition of his obtaining or retaining his employment: *Provided further,* That nothing contained in this subsection shall be construed to prohibit inquiry concerning the national origin of any such employee when such inquiry is deemed necessary or advisable to determine suitability for assignment to activities or undertakings related to the national security within the United States or to activities or undertakings of any nature outside the United States.

(b) To state or intimate, or to attempt to state or intimate, to any civilian employee of the United States serving in the department or agency that any notice will be taken of his attendance or lack of attendance at any assemblage, discussion, or lecture held or called by any officer of the executive branch of the United States Government, or by any person acting or purporting to act under his authority, or by any outside parties or organizations to advise, instruct, or indoctrinate any civilian employee of the United States serving in the department or agency in respect to any matter or subject other than the performance of official duties to which he is or may be assigned in the department or agency, or to the development of skills, knowledge, or abilities which qualify him for the performance of such duties: *Provided, however,* That nothing contained in this subsection shall be construed to prohibit taking notice of the participation of a civilian employee in the activities of any professional group or association.

(c) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency to participate in any way in any activities or undertakings unless such activities or undertakings are related to the performance of official duties to which he is or may be assigned in the department or agency, or to the development of skills, knowledge, or abilities which qualify him for the performance of such duties.

(d) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency to make any report concerning any of his activities or undertakings unless such activities or undertakings are related to the performance of official duties to which he is or may be assigned in the department or agency, or to the development of skills, knowledge, or abilities which qualify him for the performance of such duties, or unless there is reason to believe that the civilian employee is engaged in outside activities or employment in conflict with his official duties.

(e) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency, or any person applying for employment as a civilian employee in the executive branch of the United States Government, to submit to any interrogation or examination or to take any psychological test which is designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters: *Provided, however,* That nothing contained in this subsection shall be construed to prevent a physician from eliciting such information or authorizing such tests in the diagnosis or treatment of any civilian employee or applicant where such physician deems such information necessary to enable him to determine whether or not such individual is suffering from mental illness: *Provided further, however,* That this determination shall be made in individual cases and not pursuant to general practice or regulation governing the examination of employees or applicants according to grade, agency, or duties: *Provided further, however,* That nothing contained in this subsection shall be construed to prohibit an officer of the department or agency from advising any civilian employee or applicant of a specific charge of sexual misconduct made against that person, and affording him an opportunity to refute the charge.

(f) To require or request, or attempt to require or request, any civilian employee of the United States serving in the department or agency, or any person applying for employment as a civilian employee in the executive branch of the United States Government, to take any polygraph test designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters.

(g) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency to support by personal endeavor or contribution of money or any other thing of value the nomination or the election of any person or group of persons to public office in the Government of the United States or of any State, district, Commonwealth, territory, or possession of the United States, or to attend any meeting held to promote or support the activities or undertakings of any political party of the United States or of any State, district, Commonwealth, territory, or possession of the United States.

(h) To coerce or attempt to coerce any civilian employee of the United States serving in the department or agency to invest his earnings in bonds or other obligations or securities issued by the United States or any of its departments or agencies, or to make donations to any institution or cause of any kind: *Provided, however,* That nothing contained in this subsection shall be construed to prohibit any officer of any executive department or any executive agency of the United States Government, or any person acting or purporting to act under his authority, from calling meetings and taking any action appropriate to afford any civilian employee of the United States the opportunity voluntarily to invest his earnings in bonds or other obligations or securities issued by the United States or any of its departments or agencies, or voluntarily to make donations to any institution or cause.

(i) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency to disclose any items of his property, income, or other assets, source of income, or liabilities, or his personal or domestic expenditures or those of any member of his family or household: *Provided, however,* That this subsection shall not apply to any civilian employee who has authority to make any final determination with respect to the tax or other liability of any person, corporation, or other legal entity to the United States, or claims which require expenditure of moneys of the United States: *Provided further, however,* That nothing contained in this subsection shall prohibit the Department of the Treasury or any other executive department or agency of the United States Government from requiring any

civilian employee of the United States to make such reports as may be necessary or appropriate for the determination of his liability for taxes, tariffs, custom duties, or other obligations imposed by law.

(j) To require or request, or to attempt to require or request, any civilian employee of the United States embraced within the terms of the proviso in subsection (i) to disclose any items of his property, income, or other assets, source of income, or liabilities, or his personal or domestic expenditures or those of any member of his family or household other than specific items tending to indicate a conflict of interest in respect to the performance of any of the official duties to which he is or may be assigned.

(k) To require or request, or to attempt to require or request, any civilian employee of the United States serving in the department or agency, who is under investigation for misconduct, to submit to interrogation which could lead to disciplinary action without the presence of counsel or other person of his choice, if he so requests.

(l) To discharge, discipline, demote, deny promotion to, relocate, reassign, or otherwise discriminate in regard to any term or condition of employment of, any civilian employee of the United States serving in the department or agency, or to threaten to commit any of such acts, by reason of the refusal or failure of such employee to submit to or comply with any requirement, request, or action made unlawful by this Act, or by reason of the exercise by such civilian employee of any right granted or secured by this Act.

SEC. 2. It shall be unlawful for any officer of the United States Civil Service Commission, or for any person acting or purporting to act under his authority, to do any of the following things:

(a) To require or request, or to attempt to require or request, any executive department or any executive agency of the United States Government, or any officer or employee serving in such department or agency, to violate any of the provisions of section 1 of this Act.

(b) To require or request, or to attempt to require or request, any person seeking to establish civil service status or eligibility for employment in the executive branch of the United States Government, or any person applying for employment in the executive branch of the United States Government, or any civilian employee of the United States serving in any department or agency of the United States Government, to submit to any interrogation or examination or to take any psychological test which is designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters: *Provided, however,* That nothing contained in this subsection shall be construed to prevent a physician from eliciting such information or authorizing such tests in the diagnosis or treatment of any civilian employee or applicant where such physician deems such information necessary to enable him to determine whether or not such individual is suffering from mental illness: *Provided further, however,* That this determination shall be made in individual cases and not pursuant to general practice or regulation governing the examination of employees or applicants according to grade, agency, or duties: *Provided further, however,* That nothing contained in this subsection shall be construed to prohibit an officer of the Civil Service Commission from advising any civilian employee or applicant of a specific charge of sexual misconduct made against that person, and affording him an opportunity to refute the charge.

(c) To require or request, or to attempt to require or request, any person seeking to establish civil service status or eligibility for employment in the executive branch of the United States Government, or any person applying for employment in the executive branch of the United States Government, or any civilian employee of the United States serving in any department or agency of the United States Government, to take any polygraph test designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters.

SEC. 3. It shall be unlawful for any commissioned officer, as defined in section 101 of title 10, United States Code, or any member of the Armed Forces acting or purporting to act under his authority, to require or request, or to attempt to require or request, any civilian employee of the executive branch of the United States Government under his authority or subject to his supervision to perform any of the acts or submit to any of the requirements made unlawful by section 1 of this Act.

SEC. 4. Whenever any officer of any executive department or any executive agency of the United States Government, or any person acting or purporting to act under his authority, or any commissioned officer as defined in section 101 of title 10, United States Code, or any member of the Armed Forces acting or purporting to act under his authority, violates or threatens to violate any of the provisions of section 1, 2, or 3 of this Act, any civilian employee of the United States serving in any department or agency of the United States Government, or any person applying for employment in the executive branch of the United States Government, or any person seeking to establish civil service status or eligibility for employment in the executive branch of the United States Government, affected or aggrieved by the violation, or threatened violation, may bring a civil action in his own behalf or in behalf of himself and others similarly situated, against the offending officer or person in the United States district court for the district in which the violation occurs or is threatened, or the district in which the offending officer or person is found, or in the United States District Court for the District of Columbia, to prevent the threatened violation or to obtain redress against the consequences of the violation. The Attorney General shall defend all officers or persons sued under this section who acted pursuant to an order, regulation, or directive, or who, in his opinion, did not willfully violate the provisions of this Act. Such United States district court shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and without regard to whether the aggrieved party shall have exhausted any administrative remedies that may be provided by law, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment or decree as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and others similarly situated complete relief against the consequences of the violation. With the written consent of any person affected or aggrieved by a violation or threatened violation of section 1, 2, or 3 of this Act, any employee organization may bring such action on behalf of such person, or may intervene in such action. For the purposes of this section, employee organizations shall be construed to include any brotherhood, council, federation, organization, union, or professional association made up in whole or in part of civilian employees of the United States and which has as one of its purposes dealing with departments, agencies, commissions, and independent agencies of the United States concerning the condition and terms of employment of such employees.

SEC. 5. (a) There is hereby established a Board on Employees' Rights (hereinafter referred to as the "Board"). The Board shall be composed of three members, appointed by the President, by and with the advice and consent of the Senate. The President shall designate one member as chairman. No more than two members of the Board may be of the same political party. No member of the Board shall be an officer or employee of the United States Government.

(b) The term of office of each member of the Board shall be five years, except that (1) of those members first appointed, one shall serve for five years, one for three years, and one for one year, respectively, from the date of enactment of this Act, and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(c) Members of the Board shall be compensated at the rate of $75 a day for each day spent in the work of the Board, and shall be paid actual travel expenses and per diem in lieu of subsistence expenses when away from their usual places of residence, as authorized by section 5703 of title 5, United States Code.

(d) Two members shall constitute a quorum for the transaction of business.

(e) The Board may appoint and fix the compensation of such officers, attorneys, and employees, and make such expenditures, as may be necessary to carry out its functions.

(f) The Board shall make such rules and regulations as shall be necessary and proper to carry out its functions.

(g) The Board shall have the authority and duty to receive and investigate written complaints from or on behalf of any person claiming to be affected or aggrieved by any violation or threatened violation of this Act and to conduct a hearing on each such complaint. Within ten days after the receipt of any such complaint, the Board shall furnish notice of the time, place, and nature of the hearing thereon to all interested parties. The Board shall render its final decision with respect to any complaint within thirty days after the conclusion of its hearing thereon.

(h) Officers or representatives of any Federal employee organization in any degree concerned with employment of the category in which any alleged violation of this Act occurred or is threatened shall be given an opportunity to participate in each hearing conducted under this section, through submission of written data, views, or arguments, and in the discretion of the Board, with opportunity for oral presentation. Government employees called upon by any party or by any Federal employee organization to participate in any phase of any administrative or judicial proceeding under this section shall be free to do so without incurring travel cost or suffering loss in leave or pay; and all such employees shall be free from restraint, coercion, interference, intimidation, or reprisal in or because of their participation. Any periods of time spent by Government employees during such participation shall be held and considered to be Federal employment for all purposes.

(i) Insofar as consistent with the purposes of this section, the provisions of subchapter II of chapter 5 of title 5, United States Code, relating to the furnishing of notice and manner of conducting agency hearings, shall be applicable to hearings conducted by the Board under this section.

(j) If the Board shall determine after hearing that a violation of this Act has not occurred or is not threatened, the Board shall state its determination and notify all interested parties of such determination.

Each such determination shall constitute a final decision of the Board for purposes of judicial review.

(k) If the Board shall determine that any violation of this Act has been committed or threatened by any civilian officer or employee of the United States, the Board shall immediately (1) issue and cause to be served on such officer or employee an order requiring such officer or employee to cease and desist from the unlawful act or practice which constitutes a violation, (2) endeavor to eliminate any such unlawful act or practice by informal methods of conference, conciliation, and persuasion; and (3) may—

(A) (i) in the case of the first offense by any civilian officer or employee of the United States, other than any officer appointed by the President, by and with the advice and consent of the Senate, issue an official reprimand against such officer or employee or order the suspension without pay of such officer or employee from the position or office held by him for a period of not to exceed fifteen days, and (ii) in the case of a second or subsequent offense by any such officer or employee, order the suspension without pay of such officer or employee from the position or office held by him for a period of not to exceed thirty days or order the removal of such officer or employee from such position or office; and

(B) in the case of any offense by any officer appointed by the President by and with the advice and consent of the Senate, transmit a report concerning such violation to the President and the Congress.

(l) If the Board shall determine that any violation of this Act has been committed or threatened by any officer of any of the Armed Forces of the United States, or any person purporting to act under authority conferred by such officer, the Board shall (1) submit a report thereon to the President, the Congress, and the Secretary of the military department concerned, (2) endeavor to eliminate any unlawful act or practice which constitutes such a violation by informal methods of conference, conciliation, and persuasion, and (3) refer its determination and the record in the case to any person authorized to convene general courts martial under section 822 (article 22) of title 10 United States Code. Thereupon such person shall take immediate steps to dispose of the matter under chapter 47 of title 10, United States Code (Uniform Code of Military Justice).

(m) Any party aggrieved by any final determination or order of the Board may institute, in the district court of the United States for the judicial district wherein the violation or threatened violation of this Act occurred, or in the United States District Court for the District of Columbia, a civil action for the review of such determination or order. In any such action, the court shall have jurisdiction to (1) affirm, modify, or set aside any determination or order made by the Board which is under review, or (2) require the Board to make any determination or order which it is authorized to make under subsection (k), but which it has refused to make. The reviewing court shall set aside any finding, conclusion, determination, or order of the Board as to which complaint is made which is unsupported by substantial evidence on the record considered as a whole.

(n) The Board shall submit, not later than March 31 of each year, to the Senate and House of Representatives, respectively, a report on its activities under this section during the immediately preceding calendar year, including a statement concerning the nature of all complaints filed with it, its determinations and orders resulting from hearings thereon, and the names of all officers or employees of the United States with respect to whom any penalties have been imposed under this section.

(o) There are authorized to be appropriated sums necessary, not in excess of $100,000, to carry out the provisions of this section.

SEC. 6. Nothing contained in this Act shall be construed to prohibit an officer of the Central Intelligence Agency or of the National Security Agency from requesting any civilian employee or applicant to take a polygraph test, or to take a psychological test, designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitudes or conduct with respect to sexual matters, or to provide a personal financial statement, if the Director of the Central Intelligence Agency or the Director of the National Security Agency makes a personal finding with regard to each individual to be so tested or examined that such test or information is required to protect the national security.

SEC. 7. This Act shall not be applicable to the Federal Bureau of Investigation.

SEC. 8. Nothing contained in sections 4 and 5 shall be construed to prevent establishment of department and agency grievance procedures to enforce this Act, but the existence of such procedures shall not preclude any applicant or employee from pursuing the remedies established by this Act or any other remedies provided by law: *Provided, however,* That if under the procedures established, the employee or applicant has obtained complete protection against threatened violations or complete redress for violations, such action may be pleaded in bar in the United States district court or in proceedings before the Board on Employee Rights: *Provided further, however,* That if an employee elects to seek a remedy under either section 4 or section 5, he waives his right to proceed by an independent action under the remaining section.

SEC. 9. If any provision of this Act or the application of any provision to any person or circumstance shall be held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, September 13, 1967, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 12 (legislative day of September 11), 1967:

UNITED NATIONS

The following-named persons to be Representatives of the United States of America to the 22d session of the General Assembly of the United Nations:

Arthur J. Goldberg, of Illinois.

William B. Buffum, of Maryland.

L. H. FOUNTAIN, U.S. Representative from the State of North Carolina.

WILLIAM S. BROOMFIELD, U.S. Representative from the State of Michigan.

Adrian S. Fisher, of the District of Columbia.

The following-named persons to be alternate Representatives of the United States of America to the 22d session of the General Assembly of the United Nations:

I. W. Abel, of Pennsylvania.

Robert S. Benjamin, of New York.

Hector P. Garcia, of Texas.

Mrs. Patricia Roberts Harris, of the District of Columbia.

Herbert R. O'Conor, Jr., of Maryland.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Emory S. McNider, Coffeeville, Ala., in place of E. R. Scruggs, retired.

ARIZONA

Curtis L. Steveson, Kearny, Ariz., in place of V. V. Kenemore, resigned.

ARKANSAS

Bunyan W. Matthews, Jr., Magnolia, Ark., in place of G. G. Martel, retired.

George E. Fryer, Russellville, Ark., in place of M. B. Craig, retired.

James F. Cannon, Saratoga, Ark., in place of M. A. Holland, retired.

CALIFORNIA

Bernice M. Willson, Richvale, Calif., in place of L. E. Connor, resigned.

CONNECTICUT

Edward T. Moore, Georgetown, Conn., in place of J. W. Johnson, retired.

FLORIDA

Wendell W. Hunt, Palmetto, Fla., in place of E. M. Cox, retired.

ILLINOIS

John C. Lingle, Alto Pass, Ill., in place of J. W. Arnold, Jr., deceased.

William L. Tomlinson, Carthage, Ill., in place of A. L. Immel, retired.

Robert F. Willms, Lake Forest, Ill., in place of L. M. Moore, retired.

Joseph J. Short, Paxton, Ill., in place of R. H. Burklund, deceased.

Mary Lee C. Crnkovich, Saint David, Ill., in place of James Higgins, retired.

Adele D. Nelson, Watson, Ill., in place of M. R. Lamkin, retired.

INDIANA

Margaret E. Knoy, Freedom, Ind., in place of F. A. Galimore, retired.

Libero A. Baldoni, Mishawaka, Ind., in place of J. M. Bowen, deceased.

Robert L. Kreutzer, Peru, Ind., in place of L. H. Berger, retired.

IOWA

Edward P. Farrell, Algona, Iowa, in place of W. W. Sullivan, deceased.

Walter C. Anawalt, Cedar Rapids, Iowa, in place of E. R. Petro, deceased.

Roy B. Martin, Jr., Clear Lake, Iowa, in place of M. D. Carroll, retired.

Bernard J. Mullaley, Marion, Iowa, in place of J. H. Pazour, retired.

Edmund J. Langenberg, Tiffin, Iowa, in place of J. M. Baldwin, retired.

KANSAS

Ward L. Harold, Beloit, Kans., in place of Dalton Muck, transferred.

Jim L. Palmer, Haysville, Kans., in place of F. D. Beard, resigned.

Gerald L. Carpenter, Neodesha, Kans., in place of C. A. Lockard, retired.

KENTUCKY

Harry H. Boaz, Mayfield, Ky., in place of A. R. Anderson, retired.

LOUISIANA

Bessie R. Brumble, Bethany, La., in place of H. G. Hines, Sr., retired.

Edward O. Douglas, De Quincy, La., in place of L. J. Cryer, retired.

MAINE

Robert A. Winslow, East Boothbay, Maine, in place of C. R. Barlow, retired.

MASSACHUSETTS

Norman W. Daunais, Graniteville, Mass., in place of H. A. Harrington, retired.

Edward M. Bassett, Jr., Leominster, Mass., in place of J. E. Connor, retired.

Raymond L. Stauff, Scituate, Mass., in place of E. M. Duffey, retired.

Kenneth H. Doulette, South Eastern, Mass., in place of B. K. Fuller, deceased.

MICHIGAN

Ella M. Carley, Cooks, Mich., in place of P. V. Thelander, deceased.

Lloyd A. Newland, Tekonsha, Mich., in place of K. L. Patton, transferred.

MINNESOTA

Albin L. Zinda, Appleton, Minn., in place of H. D. Little, retired.

John C. Webster, Beltrami, Minn., in place of P. B. Boyer, deceased.

MISSISSIPPI

Joseph E. Martin, Bentonia, Miss., in place of M. A. Ferriss, removed.

Samantha M. Denton, Crowder, Miss., in place of M. A. Grozinger, resigned.

MISSOURI

Kenneth P. Grace, Albany, Mo., in place of B. F. Degginger, retired.

Lloyd J. McGeorge, Bismarck, Mo., in place of F. W. Goeltz, retired.

Buford A. Patten, Miller, Mo., in place of C. M. Temple, retired.

Charles R. Sands, Jr., Rolla, Mo., in place of J. F. Kilpatrick, retired.

MONTANA

James A. McAndrew, Bigfork, Mont., in place of F. B. Burchard, retired.

NEBRASKA

Robert L. Johnson, Saint Edward, Nebr., in place of Carl Wells, retired.

Carson C. Williams, Stamford, Nebr., in place of A. M. Martin, retired.

NEW HAMPSHIRE

Michael B. Marchetti, Enfield, N.H., in place of L. N. Plummer, retired.

Rudolph E. Curry, Hampstead, N.H., in place of L. C. Darling, deceased.

NEW JERSEY

Ernest M. Muska, Perth Amboy, N.J., in place of H. F. Koons, retired.

NEW YORK

Harris A. Kellogg, Altmar, N.Y., in place of E. A. Ecker, retired.

Edward B. Zunner, Appleton, N.Y., in place of F. C. Wyman, retired.

John L. Martin, Friendship, N.Y., in place of F. E. Miller, retired.

John F. Brzozowski, North Tonawanda, N.Y., in place of H. E. Bollier, deceased.

William J. Newham, Sr., Patchogue, N.Y., in place of G. H. Whitlock, retired.

NORTH CAROLINA

James R. Breedlove, Lake Toxaway, N.C., in place of C. I. Lee, retired.

George H. Wall, Rolesville, N.C., in place of L. W. Jones, retired.

OHIO

David W. Barnes, Homerville, Ohio, in place of W. E. Hastings, transferred.

Nello F. Bianchi, Put-in-Bay, Ohio, in place of N. H. Ladd, retired.

OKLAHOMA

LaWanda M. Smith, Milburn, Okla., in place of V. P. Waddill, retired.

PENNSYLVANIA

Eleanor M. Lynch, Little Meadows, Pa., in place of C. W. Lynch, retired.

Robert N. Wagner, Sagamore, Pa., in place of M. L. Kovalchick, retired.

Charles S. Romanoski, Souderton, Pa., in place of W. K. Wildonger, retired.

PUERTO RICO

Mario Arroyo-Lopez, Toa Baja, P.R., in place of G. S. Herran, retired.

SOUTH DAKOTA

Milo L. Godfrey, Woonsocket, S. Dak., in place of B. F. Moran, retired.

TENNESSEE

Odell J. Trotter, Brighton, Tenn., in place of J. W. Simonton, retired.

Mary Nell S. Harris, Prospect, Tenn., in place of J. W. Jones, retired.

TEXAS

Buna M. Taylor, Harleton, Tex., in place of J. H. Pope, retired.

Lula M. Swim, Roaring Springs, Tex., in place of H. L. Smith, retired.

VERMONT

Bertha M. Grailcourt, Marlboro, Vt., in place of Winchester Warnock, retired.

VIRGINIA

John W. Wood, Jr., Pearisburg, Va., in place of H. C. Davis, resigned.

George E. Kidd, Williamsburg, Va., in place of H. B. Ridenour, retired.

WASHINGTON

Lawrence T. Baker, Airway Heights, Wash., in place of M. E. Mitchell, retired.

Gunnar R. Johnson, Chelan, Wash., in place of J. A. Croy, retired.

WEST VIRGINIA

Charles C. Tickle, Bluefield, W. Va., in place of W. S. Penn, Jr., deceased.

Patricia W. Noel, Pratt, W. Va., in place of H. M. Oliver, retired.

WISCONSIN

Norman E. Anderson, Hudson, Wis., in place of J. J. Hanley, retired.

Wallace J. Regan, Kohler, Wis., in place of C. L. Sutter, retired.

Chris E. Youssi, Muskego, Wis., in place of A. F. Czarnecki, retired.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of captain, subject to qualification therefor as provided by law:

Paul A. Aadnesen
Michael C. Abajian
Charles K. Ables
David P. Abrams
Roger L. Ackerman
Louis Acosta
Robert L. Adams
Robert L. Adams
John F. Adinolfi
John H. Admire
Bruce M. Albert
Charles T. Allen III
David P. Allen
James P. Allen, Jr.
Kenneth E. Allen
Larry W. Allen
Lloyd Allen, Jr.
Robert C. Allison
William D. Amberson
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Robert W. MacFarlane
Fred E. MacGeary
Enrique L. Machado
Robert B. MacKenzie
David G. Mackey
Ronald T. Macy
Alfred L. Madsen
Paul B. Maguire
Stanley W. Main
Lawrence E. Malby
Ira T. Mallard
Robert M. Mallard
Harry B. Malnicof
Michael G. Malone
John C. Maloney II
John M. Maloney
Jimmy L. Manion
Robert G. Manion
Marion R. Mann
Gary L. Manning
George L. Marcum
Joseph F. Markanthony
Frank G. Markowski
Donald R. Marlow
John J. Marnon
Alvin F. Marshall, Jr.
Jon A. Marshall
David P. Martin
Joseph M. Martin, Jr.
Ronald A. Martin
Thomas J. Marziaz
Joseph Marzioli
Wayne B. Mason
Allen W. Massey
Malcolm R. Massie, Jr.
Don E. Mathis
Dale A. Mathys
Frederick H. Matthys, Jr.
Robert E. Mattingly
Leon Mattox
William J. Max
John Maxwell III
Robert Mayer, Jr.
Ronald J. Mayes
John C. Maynard
Robert W. Maynard
Robert L. Maynes
Edmund J. Mazzei
Marvin K. McAfee
John T. McAlister
Paul O. McAvoy, Jr.
Robert M. McBride
John E. McCallum
Patrick J. McCann
Benjamin D. McCauley
James E. McClenahan, Jr.
Daryl S. McClung, Jr.
William E. McCollum
Paul McCoy
Richard L. McDeavitt
John R. McDermott
Gary W. McDowell
James R. McEvoy
John C. McGee
John J. McGraw
Jack D. McHugh
Bernard L. McIlnay
Roger A. McIntosh
David L. McInturff
Thomas J. McKay
Dennis T. McKee
Larry E. McKee
Thomas A. McKnight
Robert J. McLaughlin
Robert S. McLellan, IV
Thomas E. McMahan
John F. McMakin, Jr.
Jerry W. McNulty
Melvin E. McPeak
Donald A. McPheron
Frederick C. McQuigg
Matthew G. McTiernan
Lavoy D. McVey
William A. McVey
Robert J. McWhorter
Timothy E. McWilliams
Wayne A. Meech
Thomas J. Meehan
Thomas H. Meeker
Ronald R. Meints
Donald E. Meisner
Robert B. Meissner
Bruce Mellon
Raymond A. Mendoza
Manuel E. Menezes
Jimmy M. Merritt
Gene V. Messinger
Gary G. Meyers
John L. Meyers
Richard B. Meyers
Edward F. Miglarese, Jr.
John R. Miksad
John J. Miles
Don P. Miller, Jr.
Ernest M. Miller, Jr.
Edward A. Miller, Jr.
Gerald L. Miller
Jacques L. Miller
Michael R. Miller
Robert S. Miller
Glenn P. Milliman
Robert E. Milliron
Dorne A. Millis
William F. Mills
Michael J. Mino
Mack E. Mitchell
Frank D. Mitchell, Jr.
William L. Mitchels
Tom A. Mix
Perry A. Mobley
Stuart J. Mock
Harold J. Moe
John W. Moffett
Kermit Moffitt
Peter M. Molloy
Douglas W. Montana
Barry R. Montgomery
Johnney W. Moody
Bruce K. Moore
Henry Moore
Jack M. Moore
John R. Moore
Theodore M. Moore
Walter H. Moos
Gerald F. Moran
Richard C. Moran
William D. Moreland
Franklin M. Morgan
Grover K. Morgan, Jr.
John F. Morgan
James W. Morgan, Jr.
Roger G. Morgan
William A. Morgan
Alan L. Morrill
Stanley S. Morris, Jr.
Charles H. Morrison III
John R. Morrison
Joseph J. Morrissey III
Joseph M. Morrow
James H. Mort
Donald H. Mosley
Michael J. Moss
Donald J. Mossey
John G. Moulder
Samuel L. Moyer
Anthony Mucci
Randolph M. Mulford
Byron J. Mulherin, Jr.
James R. Mulhern
Richard H. Mullen
Alan C. Mullinax
James P. Murphy
James W. Murphy
Michael W. Murphy
William F. Murphy
John D. Murray
Peter J. Murray
Joseph A. Murry
James M. Mutter
Lonnie M. Myers
Paul A. Myers, Jr.
John K. Nagazyna
Richard A. Nailor
Richard I. Neal
Richard L. Needham
James C. Nelles
Delbert L. Nelson
John J. Nelson, Jr.
Monte V. Nelson
William H. Nelson, Jr.
John W. Neubauer
Ronald S. Neubauer
Charles A. Newell
Ronald D. Newman
Billy D. Nicholas
Robert J. Nichols
Richard F. Nicklin
Peter W. Nicolai
David K. Nielsen
Donald D. Nimmow
William Noonan, Jr.
John A. Nordin
Court T. Norris
Richard C. Norris, Jr.
Craig W. Norton
Richard H. Norwood
John P. Novak
Norbert J. Nowicki
Henry W. Nyenbrink
Howard C. Oakley
Ronald C. Oates
Dennis F. O'Block
Thomas M. O'Brien
James R. O'Bryan
Eugene J. Ockuly
John J. O'Connell III
Donald J. O'Connor
Roy M. Oehlers
Robert H. Oetting
Charles W. Offutt
George S. Olivas
Leonard E. Oliver, Jr.
Almart H. Olsen, Jr.
James G. Olsen
Philip K. Olson, Jr.
Robert D. Olson
Donn L. O'Neil
Edward P. B. O'Neil
Gene P. O'Neill
Vincent E. O'Neill
James R. O'Reilly
James M. O'Rourke, Jr.
Tommy S. Oshields
Richard R. Osterberg
Billy W. Owens
Simone J. Pace
Glen E. Packwood
John P. Pagan
Douglas B. Page
Joseph J. Paige
Mathew Pallo, Jr.
Leonard E. Palmer, Jr.
Louis V. Panicali
Paul A. Pankey
James D. Panknin
James C. Panther
Allen D. Parker
Charles D. Parker
George R. Parker, Jr.
William A. Parker
Walter O. Parr, Jr.
Lionel Parra, Jr.
Lawrence Parretti
Fred R. Parry
Richard A. Partin
Roger D. Partington
Charles W. Paschen
Lowell W. Patak
Howard C. Patterson
Robert F. Patton
Charles H. Paul
Jimmy A. Payne
Arthur R. Pearce

Charles R. Pearson
James W. Pearson
Charles L. Pedersen
Dean C. Pedlar
Donald E. Pellecchia
George A. Pelletier
Benson Peltzer, Jr.
David T. Penman
James P. Pennell
Everett W. Pentz, Jr.
Dennis N. T. Perkins
Jack F. Perry
Jimmy R. Perry
James C. Perso
Louis R. Peters
William J. Peters
John E. Peterson
Frank K. Peterson
Richard M. Petroski
Alan D. Pettit
Kenneth E. Pettit
Robert H. Petty
Albert R. Pfeltz III
Bruce M. Phillips
Joseph M. Piatt, Jr.
Douglas W. Pickersgill
Darvin D. Pierce
Donald E. Pierse
Richard F. Pinion
Charles A. Pinney III
Tony R. Pinola, Jr.
James R. Pippin
Ido E. Pistelli
Nicholas R. Pitaro
Robert D. Pitts
Samuel J. Pitts
Lawrence A. Pollmiller
William W. Pollock
Gerald J. Polyascko
Carl N. Ponder
Michael H. Ponder
Robert G. Pontillas
Robert W. Poolaw
William S. Poole
Robert E. Pope
Bebe B. Porter
Richard L. Porter
Harry P. Porth, Jr.
Henry Posthuma
Joseph L. Powell, Jr.
William H. Powell
Sam J. Prato
Donald L. Pratt
Donald C. Pretsch
Lawrence A. Price
Robert F. Price
Sanford J. Priddy
Charles L. Pritchard
Patrick M. Prout
James M. Puckett
Robert J. Puskar
Herman W. Quest
Lewis R. Quill
Jon D. Quinn
Garland L. Radford
Cleon H. Rafferty
Michael E. Rafferty
Arvel H. Raines
Gerald K. Rainwater
Jerry A. Raley
James K. Ramaker
Jeffrey K. Ramsdell
Joe D. Ramseur
William Rankin
Morris E. Ransom
Berton M. Ranta
John J. Rapuano, Jr.
William H. Rath
Thomas C. Rauwald
Malcolm S. Rawlins
Philip H. Ray
Ronald D. Ray
Thomas W. Ray
Edwin O. Raymer
Joseph C. Raymond
Dale Raymond
Herbert D. Raymond III
Joseph M. Reber
Thomas E. Redican
Don T. Reed
Doyle R. Reed
Kenneth R. Reed
Richard M. Reilly
Stanley J. Rembish, Jr.
Calix L. Reneau
Robert R. Renier
Homer A. Rentz
John D. Rexroade
Alfred J. Reyer, Jr.
Clarence O. Reynolds, Jr.
Philip F. Reynolds
John L. Rhodes
Larry E. Rhodes
Donald F. Richardson
Larry D. Richards
Robert J. Richards
Dean "J" Richman
Arthur D. Richmond
Robert E. Richter
David J. Richtsteig
David A. Richwine
Kevin G. Rick
Ronald A. Rick
Charles Riggs
Robert K. Riggs
Michael A. Rigney
Carroll J. Riley
William E. Riley
Paul E. Ring
Dean R. Ringler
James P. Riordan
Sebastiano F. Ripa
Harold L. Ritter
Frederick M. Rivers, Jr.
Robert S. Rix, Jr.
Jerry N. Roach,
John R. Robbins
Dennis W. Robbins
Ralph S. Roberts, Jr.
Emmett L. Robertson, Jr.
Jerry L. Robertson
Clarence A. Robinson, Jr.
Ronald L. Robinson
Larry L. Robinson
Nedson K. Robison II
George R. Robison
Frederick S. Roe
Raymond J. Roettger
Robert D. Rogers
Robert J. Romano
James H. Rosenthal
Herbert G. Roser
Leonard Ross
Edward P. Rotchford
John W. Roth
Peter R. Rounseville
Albert C. Rouse
Donald F. Rousseau
Guy F. Rowe
John H. Rowe
Morris E. Ruddick, Jr.
Jack A. Ruffer
Richard L. Ruhlman
James A. Rumbley, Jr.
Leonard D. Russell
Richard S. Russell II
Glenn W. Russell, Jr.
David R. Russell
Victor M. Russillo
Kenneth S. Russom
Bernard R. Rusthoven
Patrick F. Rutkoski
Edward M. Rynne
David E. Saarela
Ivan R. Sable
James S. Sackett
January T. Sakert, Jr.
Charles A. Saldarini
George D. Salum, Jr.
Gerald H. Sampson
Richard S. Sanborn
James J. Sanchack
William J. Sandberg
Richard K. Sanders
Stanley F. Sanders
Stephen H. Sanderson
Charles L. Sands
Eugene D. Sanford
Howard D. Sansom
Edmond S. Sarver
Marion G. Satterfield
Robert W. Saum
Robert S. Saunders, Jr.
Charles W. Savage
Daniel R. Savoy
Harry E. Sawyer, Jr.
Orville L. Sayre
Salvatore J. Scalzo
Neil H. Scarborough
Leroy A. Scheller, Jr.
John L. Schensnol
Paul J. Schiller
Anthony P. Schiraldi
Carl J. Schlack
Leonard L. Schlitz
William C. Schlondrop
Adolph Schmid
Harvey T. Schmit
James H. Schmitt
Roger J. Schneider
Edward C. Schriber
Ernest U. Schultes
Donald D. Schultz
John W. Schwantes
Peter A. Schwartz
Timothy P. Schwartz
Donald M. Schwartz
Thomas E. Schwartz
Frank H. Schwarz, Jr.
Robert V. Scobie
Norvel M. Scott
Thomas F. Seale III
James E. Secrist
Albert L. Selleck, Jr.
William T. Sermeus, Jr.
Merlyn A. Sexton
Ronald J. Shabosky
James A. Shaffer
Paul S. Shank
John E. Sharkey
Joseph B. Shaughnessy
Robert E. Shea
Robert C. Shearer
Robert C. Shepherd
Thomas J. Sheridan
Homer G. Sherry
Michael S. Shirley
Michael F. Shisler
James R. Shoff
Mann Shoffner, Jr.
Richard G. Shore
Denis L. Shortal
Paul R. Siemasko
Daniel L. Siemion
Warren A. Simmons
Roy E. Simolin
"J" "V" Simpkins
John D. Singer III
Stanley A. Skalski
Edward S. Skultety
Howard B. Sligar, Jr.
Blakeslee A. Smith
Carroll J. Smith
Charles W. Smith, Jr.
Darrell M. Smith
David M. Smith
Don "L" Smith
Donald J. Smith
Donald D. Smith
Frank E. Smith
Frederick J. Smith III
George M. Smith, Jr.
George W. Smith
Gordon W. Smith, Jr.
Harold W. Smith, Jr.
Herbert S. Smith, Jr.
James G. Smith, Jr.
John J. Smith
Larry M. Smith
Melvin L. Smith
Ronald R. Smith
Samuel W. Smith, Jr.
William C. Smith
Charles S. Snell
Sidney L. Snellings, Jr.
Donald J. Snooks
Richard W. Snow
Ray G. Snyder
Fletcher B. Sojourner, Jr.
Anthony J. Soltes
Ronald L. Sousa
James B. Southall
Edward J. Spahr
Alan J. Sparks
Leo E. Spears
William R. Spicer
Robert E. Spiker
Raymond J. Spillane
Robert C. Springer
Donald E. Stafford
"T" "J" Stanford
Michael A. Stankosky
Peter N. Stavros
Edward M. St Clair
Gregory C. Steele
Thomas W. Steele
Robert A. J. Steger
Steve R. Stegich III
Herbert M. Steigelman, Jr.
William T. Steinken, Jr.
Louis C. Stengel III
Jack E. Stephenson
George E. Stern, Jr.
Danny H. Stevens
John L. Stevens III
John M. Stevens
James N. Stewart
Raymond A. Stewart, Jr.
Joseph D. Stewart
Dean A. Stiemke
Edward W. Stillman
Robert E. Stimson
John E. Stocking
John A. Stockman
Donald Stokes
Joe W. Stone, Jr.
Thomas Stone
Raymon E. Stoner
James M. Stoops
Stanfard I. Storey
David H. Stoughton
David M. Stout
Raymond H. Stout
James H. Stowell
James M. Stoy
Donald E. Strassenberg
Kenneth E. Strayhorn
Frederick H. Striker
Thomas L. Strohecker
David E. Strong
Guy S. Stroup
Lawrence T. Struwe
William H. Stuckey
Robert J. Sullivan
Daniel J. Sullivan, Jr.
John A. Summa
Frank R. Sutherland
Russell H. Sutton
Howard L. Swain
Ronald E. Swantkowski
Allen M. Sweeney
Charles T. Sweeney
Charles E. Swisher
Steven F. Szabo
Edward A. Taber III
Thomas J. Tandle
William E. Tarry
Arthur J. Taylor
Charles C. Taylor
Charles L. Taylor
Donald G. Taylor
Kenneth E. Taylor
Robert T. Taylor
Thomas F. Taylor
Robert R. Teall
Harold W. Teasdale
Kenneth C. Ter Horst
Jesse H. Terpstra, Jr.
Robert M. Thacher
John L. Thacker
Jimmy R. Theriot
Edgar D. Thomas
Raymond A. Thomas
Stanley B. Thomas
James W. Thomason
Richard A. Thome
Gary R. Thompson
James G. Thompson
Ky L. Thompson
Jack C. Thompson
James R. Thompson
Joseph O. Thornton
Allen B. Thrailkill
Edwin D. Tidwell
Robert O. Tilley
Robert R. Timberg
Fredric M. Timm
Herschel M. Timmons, Jr.
John G. Tinney
William A. Tinsley III
Harry J. Tobin
Charles N. Tofft
Anthony P. Tokarz
Jerry L. Tomlinson
Stanley R. Tomlinson, Jr.
Edgar A. Toney
Francis A. Toth
Ferdinand A. Toval
Robert L. Tracey
Stanley J. Trachta
William A. Trader
John O. Trott
Charles G. True
Robert E. Tschan
Fred Tucker, Jr.
Jacques E. Tucker
Phillip E. Tucker
Robert B. Tucker
Willie R. M. Tucker
Frank L. Turner
Josephy G. Turner, Jr.
Thomas W. Turner
Charles S. Tutt
Charles G. Tyrian, Jr.
Herbert S. Upton
Victor R. Urbanski
David E. Van Amburg
Lloyd H. Van Antwerp
Kenneth R. Vance
Nicholas C. Van Der Does
Rex F. Vanderhoof
Josephy D. Vandermark
Dennis R. Van Dervoort
Del R. Vandiver
Gary R. Van Gysel
Donald L. Van Hoose
Robert A. Van Houten Jr.
William J. Vankat
Thomas A. Varrell
Morton Vaserberg
Jimmie Veater
Lawrence C. Vetter, Jr.
William T. Vincent
Frederick J. Vogel
Donald A. Vogelgesang
Richard J. Vogt
Richard H. Voigt
James A. Vollendorf
Richard A. Voltz
Lloyd R. Wade, Jr.
Curtis L. Wagoner
Donald B. Walaconis
Alan W. Waldenville
Irwin F. Waldvogel
Alfred J. Walke
James R. Walker
Norman J. Walker
Richard W. Walker
Willard C. Walker
Carlton F. Wall
Richard H. Wallace
Virgil E. Wallace
Robert H. Wallace
William J. Wallace, Jr.
Dwight A. Wallick
George O. Walls
William B. Walls
Matthew F. Walsh, Jr.
Lowell W. Walter
Bud R. Walters
Robert A. Waltzer
George F. Ward, Jr.
Joel D. Ward
Joseph E. Ward
Jimmie A. Warfield
Robert T. Warren
Calvin R. Waters
Francis A. Waters
Richard E. Waters
Eric P. Watson, Jr.
Avron J. Watts
John C. Watts
Everett A. Weare
Richard E. Weatherly
Charles L. Weaver
John F. Weaver III
James P. Weaver
David C. Weber
Ronald C. Weber
Ronald H. Wecht
Larry L. Weeks
James A. Wegge
Bruce E. Welch
Jerry H. Welch
Jerome A. Welch
William H. Welch, Jr.
Roger V. Wellbrook
Daniel T. Wellman, Jr.
Robert F. Wemheuer
William R. Wenglare
John L. Wenrich, Jr.
Lloyd M. Wentworth, Jr.
Kenneth L. Werbinski
Gerald C. Westendorf
William K. Westling
Charles D. Wheeler
Paul K. Wheeler
Leonard A. Whelchel
Donald L. Whisnant
Billy K. White
Louis L. White
Richard T. White, Jr.
Thomas A. White
Vance E. White
John J. Whitehouse
Charles B. Whitehurst
Dale J. Whitten
William S. Whorton
Alan E. Wickens
Robert N. Wiggs
Harold B. Wilber
William J. Wilbur
Edward E. Wilcoxen
Jack A. Wilder
Murray R. Wilhelm
Charles E. Wilhelm
James R. Wilkins
James V. Wilkinson
Cecil R. Williaford
Wilbur C. Williams
Gary L. Williams
Robert F. Williams
Saville L. Williams
Raymond H. Williams
Charles G. Williams, Jr.
David B. Williams
Robert S. Williams
Russell L. Williamson
John Willis
Robert O. Wills
Gordon R. Willson
David B. Wilshin
William K. Wilsmann
David C. Wilson
Donald T. Wilson
Bruce M. Wincentsen
John W. Winters, Jr.
Sydney M. Wire
Robin F. Wirsching
Wilfred P. Woidyla
Howard C. Wolfe
James F. Wolfe, Jr.
Charles R. Wood
Mansel M. Wood
William H. Wood, Jr.
Lance P. Woodburn
John A. Woodhead III

Clyde E. Woods
Erik C. Woods
Dalney E. Wooldridge III
Larry A. Wooldridge
Floyd B. Worcester
Bascom C. S. Worley
Clyde V. Wright
Howell F. Wright
James E. Wright
James L. Wright
Joseph D. Wright
Robert C. Wright
William C. Wright
William E. Wright, Jr.
John W. Wroten, Jr.
Floyd C. Wulfeck
Clark H. Wylde
Lonnie V. Yanda
Thomas R. Yanger
Robert H. Yoder
Veo S. Yon
Earnest Young
Earl W. Young II
Charles W. Zadel, Jr.
Thomas Zalewski
Francis Zavacki
David A. Zeferjohn
Stanley M. Zenda
George A. Zettler
Richard B. Zey
James H. Zimmerman
Jack B. Zimmermann
Paul J. Zohlen
Roger D. Zorens

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 12, 1967

The House met at 12 o'clock noon.

Rabbi Bertram A. Leff, Congregation Tree of Life, Valley Stream, N.Y., offered the following prayer:

Let us pray.

Almighty God, in a world made insecure by storm and strife we humbly beseech Thy blessings for an everlasting peace for all mankind. We seek Thy guidance and inspiration for our Representatives in this sacred Chamber of democracy as they strive to uphold the cherished traditions of our country—that of peace, freedom, and justice.

Heavenly Father, send down Thy blessings upon all the people of our beloved country. Open the eyes and hearts of all Americans to the truth of Thy creation, that all are created in Thy divine image regardless of race, color, or creed. We are Thy children and Thou art our Father.

May we joyously proclaim with the Psalmist: *Behold how good and pleasant it is for brethren to dwell together in unity.*

Amen.

THE JOURNAL

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

A BILL TO ESTABLISH A QUOTA ON BOTTOM OR GROUND FISH IMPORTS

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, the bottom fishing industry of the United States has been in a steady decline during the past 15 years, as the import of bottom fish has markedly increased. Today, the effect of imports on the American bottom fish industry has become disastrous. Just 15 years ago, this important segment of the U.S. fishing industry was supplying 62.9 percent of the U.S. bottom fish; such as halibut, consumed in this country. However, Mr. Speaker, last year that percentage dropped to only 19.2 percent. The State Legislatures of Washington, Oregon, California, and Rhode Island have memorialized the Congress to do something about this deplorable situation, and today, to meet this critical situation, I am introducing H.R. 12834, a bill to establish a quota on bottom or ground fish imports.

H.R. 12834 would set a quota on the amount of bottom fish that could be imported in fresh, slab, or block form. The quota would be set at an average of the amount of bottom fish imported in 1963 and 1964. This would set the limit at 239,168,500 pounds annually, but would be divided into quarters so no more than approximately 60 million pounds could enter in any one quarter.

This would provide orderly marketing, Mr. Speaker, and protect not only the American consumers, but the fishermen themselves.

VIETNAMESE ELECTIONS HEARTENING VINDICATION FOR AMERICAN POLICY

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

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

There was no objection.

Mr. POOL. Mr. Speaker, many critics of President Johnson's Vietnam policies went on record before the recent Vietnamese elections with a series of attacks charging rigging and unfair election practices.

Now that the election is over we can see how empty these charges were. The overwhelming evidence of all independent observers—including many distinguished Americans sent to the scene by President Johnson—is that the election was both fair and highly successful.

But still the critics are not satisfied. As Columnist William S. White said recently:

> The new Premier, General Thieu, is being "impeached" by some American critics "for having received less than 40 percent of the total vote."

As Mr. White notes:

> Had he in fact gathered 50 percent or more they would, of course, have clamored that so heavy a victory proved their claims that the election was foreordained to be "rigged" by the military. Now that his triumph is of a more modest order, he is smeared for not having won by a bigger margin.

But there is no escaping the fact that more than 80 percent of the Vietnamese eligible voters participated and that there is no evidence of any unfair election practices.

The critics notwithstanding, the Vietnamese elections are a major victory for that war-weary nation and a heartening vindication for American policy there.

CALL OF THE HOUSE

Mr. WYDLER. 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. 243]

Adair
Anderson, Tenn.
Ashbrook
Aspinall
Baring
Bell
Blackburn
Brademas
Cabell
Celler
Clawson, Del
Cohelan
Conyers
Corman
Culver
Daddario
Dent
Diggs
Dorn
Downing
Edwards, Calif.
Evans, Colo.
Evins, Tenn.
Feighan
Fisher
Gallagher
Gardner
Gibbons
Green, Oreg.
Gubser
Hagan
Hansen, Idaho
Hansen, Wash.
Hays
Hébert
Heckler, Mass.
Howard
McCarthy
McEwen
McMillan
May
Miller, Calif.
Mink
Morton
Multer
O'Hara, Mich.
O'Konski
Pirnie
Rees
Rivers
Rumsfeld
St Germain
St. Onge
Saylor
Sisk
Stubblefield
Teague, Tex.
Thompson, N.J.
Tiernan
Udall
Williams, Miss.
Willis
Wilson, Charles H.
Wolff
Wyatt

The SPEAKER. On this rollcall 369 Members have answered to their names, a quorum.

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

APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR 1968—CONFERENCE REPORT

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 10738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 595)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10738) "making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 9, 10, 11, 13, 16, 17, 19, 22, 26, 28, 29, 30, 31, 32, 33, 34, and 35; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,942,375,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment

insert "$4,653,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$391,600,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,367,025,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "of which $147,900,000 shall be available only for the F-111B aircraft program"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,505,700,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,816,400,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,240,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$446,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 14, 18, 20, 21, and 36.

GEORGE MAHON,
ROBERT L. F. SIKES,
JAMIE L. WHITTEN,
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WILLIAM E. MINSHALL,
JOHN J. RHODES,
FRANK T. BOW,
Managers on the Part of the House.

RICHARD B. RUSSELL,
LISTER HILL,
JOHN L. MCCLELLAN,
ALLEN J. ELLENDER,
JOHN STENNIS,
STUART SYMINGTON,
MILTON R. YOUNG,
MARGARET CHASE SMITH,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—MILITARY PERSONNEL

Military personnel, Army

Amendment No. 1: Appropriates $7,760,300,000 as proposed by the Senate instead of $7,794,000,000 as proposed by the House.

Military personnel, Navy

Amendment No. 2: Appropriates $4,029,100,000 as proposed by the Senate instead of $4,063,600,000 as proposed by the House.

Military personnel, Marine Corps

Amendment No. 3: Appropriates $1,396,300,000 as proposed by the Senate instead of $1,400,800,000 as proposed by the House.

Military personnel, Air Force

Amendment No. 4: Appropriates $5,619,300,000 as proposed by the Senate instead of $5,692,900,000 as proposed by the House.

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army

Amendment No. 5: Appropriates $6,942,375,000 instead of $6,907,000,000 as proposed by the House and $7,003,375,000 as proposed by the Senate. Reductions below the budget estimates, for items in conference, were agreed to as follows: (1) civilian personnel, $35,000,000, (2) AID/DOD Civic Action Program, $47,400,000, (3) technical manuals, $16,000,000.

Operation and maintenance, Navy

Amendment No. 6: Appropriates $4,653,000,000 instead of $4,636,000,000 as proposed by the House and $4,664,500,000 as proposed by the Senate. Reductions below the budget estimates, for items in conference, were agreed to as follows: (1) $2,000,000 for management studies, (2) $25,100,000 for civilian employees, and (3) $3,000,000 for updating and modernizing technical manuals.

Operation and maintenance, Marine Corps

Amendment No. 7: Appropriates $391,600,000 instead of $391,100,000 as proposed by the House and $392,150,000 as proposed by the Senate. The conferees agreed to the reduction below the budget of $550,000 for management studies.

Operation and maintenance, Air Force

Amendment No. 8: Appropriates $5,367,025,000 instead of $5,352,500,000 as proposed by the House and $5,371,475,000 as proposed by the Senate. $8,000,000 of the amount above the House is only for the support of eight Reserve airlift groups during fiscal year 1968. The conferees agreed to the House reduction of $900,000 for management studies. The conferees agreed to a reduction of $3,550,000 in the Air Force request for civilian employees.

Operation and maintenance, Defense agencies

Amendment No. 9: Appropriates $947,520,000 as proposed by the Senate instead of $955,000,000 as proposed by the House. It is the intention of the committee of conference that $22,000 is for economic adjustment studies by the Economic Research Council. This council provides development assistance to communities adversely affected by DOD decisions.

Contingencies, Defense

Amendment No. 10: Appropriates $10,000,000 as proposed by the Senate instead of $15,000,000 as proposed by the House.

Defense stock fund

Amendment No. 11: Appropriates $118,400,000 as proposed by the Senate instead of $133,000,000 as proposed by the House.

TITLE III—PROCUREMENT

Procurement of equipment and missiles, Army

Amendment No. 12: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment with an amendment appropriating $5,462,500,000 instead of $5,475,000,000 as proposed by the House and $5,478,600,000 as proposed by the Senate. The conferees are in agreement on this amount and have taken the following actions with respect to the amount approved by the House:

1. Restored $12,500,000 of the House reduction of $32,900,000 in termination charges requested for multi-year procurement, as proposed by the Senate.

2. Reduced by $25,000,000 the amount approved by the House for the procurement of communication and electronic equipment, as proposed by the Senate.

Amendment No. 13: Inserts language as proposed by the Senate making $269,000,000 available only for the NIKE-X anti-ballistic-missile system.

Procurement of aircraft and missiles, Navy

Amendment No. 14: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment with an amendment appropriating $2,939,100,000 instead of $2,946,500,000 as proposed by the House and $2,950,700,000, as proposed by the Senate. The conferees are in agreement on the amount and have taken the following actions with respect to the amount approved by the House:

1. Restore $37,500,000 of the House reduction of $75,000,000 based on better management of funds appropriated for this item instead of restoring the full reduction as proposed by the Senate.

2. Restore $10,000,000 of the House reduction of $35,000,000 in multiservice aircraft programs instead of restoring the full amount as proposed by the Senate.

3. Provides $6,000,000 for the procurement of training helicopters as proposed by the Senate.

4. Provides $147,900,000 for the F-111B aircraft program instead of $208,800,000 as proposed by the House and $115,000,000 as proposed by the Senate. In recommending $147,900,000 for this program, it is the intent of the Committee of Conference to provide for the procurement of only eight F-111B aircraft to continue the Navy's research and development program, and to provide not to exceed $10,000,000 for the procurement of P-12 engines to support a possible future buy of this aircraft. No funds have been provided for advance procurement of long lead-time components other than the engines referred to above.

Further, it is the intent of the committee of conference in recommending these funds that it considers the F-111B program to be in the research and development stage, with primary emphasis on efforts to prove that the aircraft can be made carrier suitable. The fact that these funds are provided in this appropriation should not be considered as an indication of approving this aircraft for production.

Amendment No. 15: Provides that, of the funds appropriated herein, $147,900,000 shall be available only for the F-111B aircraft program instead of $208,800,000 as proposed by the House.

Amendment No. 16: Provides that, of the funds appropriated herein, $106,700,000 shall be available only for the EA-6A aircraft program as proposed by the Senate.

Shipbuilding and conversion, Navy

Amendment No. 17: Appropriates $1,297,000,000 as proposed by the Senate instead of $1,420,000,000 as proposed by the House.

Amendment No. 18: Reported in disagreement.

Other procurement, Navy

Amendment No. 19: Appropriates $2,336,000,000 as proposed by the Senate instead of $2,346,000,000 as proposed by the House.

Aircraft procurement, Air Force

Amendment No. 20: Reported in technical disagreement. It is the intention of the

managers on the part of the House to offer a motion to recede and concur in the Senate amendment with an amendment appropriating $5,493,400,000 and containing certain restrictive language, instead of $5,588,900,000 as proposed by the House and $5,547,400,000 as proposed by the Senate. The conferees are in agreement as to this amount and have taken the following actions with respect to the amount approved by the House:

1. Restores $20,000,000 of the House reduction of $90,000,000 in the multiservice aircraft programs instead of restoring $60,000,000 as proposed by the Senate.

2. Deletes $12,500,000 for the procurement of C–7 aircraft as proposed by the Senate,

3. Reduces by $103,000,000 the funds for the A–7 aircraft program instead of a reduction of $50,000,000 as proposed by the Senate.

4. Continues available $55,000,000 from prior appropriation for the F–12 aircraft program instead of making these funds available for other programs as proposed by the Senate. The restrictive language to be proposed would make $55,000,000 of the funds provided in this appropriation available only for the F–12 aircraft program.

Other procurement, Air Force

Amendment No. 21: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment with an amendment appropriating $2,429,800,000 instead of $2,439,800,000 as proposed by the House and $2,433,800,000 as proposed by the Senate. The conferees are in agreement with respect to this amount and have reduced the funds approved by the House for the procurement of electronic and telecommunications equipment by $10,000,000 as proposed by the Senate.

Procurement, Defense agencies

Amendment No. 22: Appropriates $38,000,000 as proposed by the Senate instead of $40,000,000 as proposed by the House.

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research, development, test, and evaluation, Army

Amendment No. 23: Appropriates $1,505,700,000 instead of $1,501,000,000 as proposed by the House and $1,510,700,000 as proposed by the Senate.

Research, development, test, and evaluation, Navy

Amendment No. 24: Appropriates $1,816,400,000 instead of $1,806,700,000 as proposed by the House and $1,826,400,000 as proposed by the Senate.

Research, development, test, and evaluation, Air Force

Amendment No. 25: Appropriates $3,240,000,000 instead of $3,225,100,000 as proposed by the House and $3,255,000,000 as proposed by the Senate. The committee of conference is in agreement that Project Cloud Gap is to be terminated and that no funds in the accompanying bill or available from amounts previously appropriated shall be used to continue this project.

Amendment No. 26: Provides that $47,000,000 shall be available for the advanced manned strategic aircraft program (AMSA) as proposed by the Senate instead of $51,000,000 as proposed by the House.

Research, development, test, and evaluation, Defense agencies

Amendment No. 27: Appropriates $446,500,000 instead of $444,000,000 as proposed by the House and $449,000,000 as proposed by the Senate.

Emergency fund, Defense

Amendment No. 28: Appropriates $100,000,000 as proposed by the Senate instead of $125,000,000 as proposed by the House.

TITLE V—SPECIAL FOREIGN CURRENCY PROGRAM

Amendment No. 29: Provides $11,200,000 as proposed by the Senate instead of $10,200,000 as proposed by the House.

TITLE VI—GENERAL PROVISIONS

Amendment No. 30: Places a limitation of $86,000,000 as proposed by the Senate instead of $85,000,000 as proposed by the House.

Amendments Nos. 31 and 32: Deletes language proposed by the House relating to international military headquarters and organizations, as proposed by the Senate.

Amendments Nos. 33 and 34: Include language relating to purchase of synthetic fabric as proposed by the Senate.

Amendment No. 35: Inserts new subsection designation as proposed by the Senate.

Amendment No. 36: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment with an amendment raising from 15 to 45 days the waiting period after notice from the General Accounting Office before installing or utilizing new accounting systems.

GEORGE MAHON,
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MELVIN R. LAIRD,
WILLIAM E. MINSHALL,
JOHN J. RHODES,
FRANK T. BOW,
Managers on the Part of the House.

Mr. MAHON. Mr. Speaker, this is the conference report on the defense appropriation bill which passed the House of Representatives on June 13, and passed the Senate on August 22.

This bill represents approximately one-half of the budget for the current fiscal year. In round numbers, the bill provides slightly less than $70 billion for the Defense Department during the current fiscal year, which ends on June 30, 1968.

The bill is $1.6 billion below the budget. It is $358 million below the bill as passed by the House. It is $195 million below the bill as it passed the Senate. It is $293 million below the sum provided for fiscal year 1967.

It might seem rather strange that at a time when we are at war a recommendation would be made that the Defense Department budget be reduced, but I believe it is fair to say that it is the belief of those who have worked closely with this bill that any difficulty in the war is not attributable to lack of funds to prosecute the war.

The problems involved are problems of policy and strategy, and not problems of money.

The report which we presented in support of the bill in June, and the statement of the managers on the part of the House on the conference, and the Senate report are available to the Members of the House. The debates in both Houses are available to Members.

Mr. Speaker, at a later moment I shall ask unanimous consent to revise and extend my remarks, and place in the RECORD pertinent information which might be of interest to the Members, and to others.

Under leave to extend, I include a summary of appropriations by title of the bill and by organizational component. In addition, I include a summary of the additions to and reductions from the budget estimates. As I noted earlier the individual items making up these summaries are set forth in the House, Senate, and conference reports.

It might be well to point out that, in round figures, the bill as agreed to in conference provides for the pay and allowances of military personnel $21.8 billion. This provides for a total, by June 30, 1968, of some 3,464,000 men and women in uniform.

For operation and maintenance, the final version of the bill provides a little more than $19 billion.

For procurement, $22 billion is provided. This is the largest segment in the bill.

The summary referred to follows:

DEFENSE APPROPRIATION BILL, 1968—SUMMARY OF APPROPRIATIONS

[In thousands of dollars]

Item	1967 appropriations	1968 budget estimate	Passed House	Passed Senate	Conference action	Conference action compared with— 1967 appropriations	Budget estimate	House	Senate
Title I, military personnel	20,435,044	22,001,000	21,927,800	21,781,500	21,781,500	+1,346,456	−219,500	−146,300	
Title II, operation and maintenance	19,760,971	19,377,000	18,994,200	19,112,020	19,034,520	−726,451	−342,480	+40,320	−77,500
Title III, procurement	22,932,800	22,917,000	22,261,200	22,086,500	22,000,800	−932,000	−916,200	−260,400	−85,700
Title IV, research, development, test, and evaluation	7,093,459	7,273,000	7,100,800	7,141,100	7,108,600	+15,141	−164,400	+6,800	−32,500
Title V, special foreign currency program	7,348	16,000	10,200	11,200	11,200	+3,852	−4,800	+1,000	
Total	70,229,622	71,584,000	70,295,200	70,132,320	69,936,620	−293,002	−1,647,380	−358,580	−195,700
Distribution of appropriations by organizational components:									
Army	22,471,015	23,036,628	22,620,628	22,696,603	22,614,503	+143,488	−422,125	−6,125	−82,100
Navy	20,400,100	20,478,400	19,830,100	19,711,550	19,677,900	−722,200	−800,500	−152,200	−33,650
Air Force	23,790,600	24,259,370	24,071,670	23,999,445	23,921,995	+131,395	−337,375	−149,675	−77,450
Defense agencies/Office of the Secretary of Defense	3,567,907	3,890,602	3,772,802	3,724,722	3,722,222	+154,315	−87,380	−50,580	−2,500
Total, Department of Defense	70,229,622	71,584,000	70,295,200	70,132,320	69,936,620	−293,002	−1,647,380	−358,580	−195,700

DEFENSE APPROPRIATIONS, FISCAL YEAR 1968, SUMMARY OF CHANGES FROM BUDGET ESTIMATE

[In thousands]

Title	Budget estimate	Additions	Reductions	Net change	Appropriation
I. Military personnel	$22,001,000	+$11,500	−$231,000	−$219,500	$21,781,500
II. Operation and maintenance	19,377,000	+17,100	−359,580	−342,480	19,034,520
III. Procurement	22,917,000	+345,900	−1,262,100	−916,200	22,000,800
IV. Research, development, test, and evaluation.	7,273,000	+40,000	−204,400	−164,400	7,108,600
V. Special foreign currency program	16,000		−4,800	−4,800	11,200
Total	71,584,000	+414,500	−2,061,880	−1,647,380	69,936,620
Distribution by organizational components:					
Army	23,036,628		−422,125	−422,125	22,614,503
Navy	20,478,400	+241,500	−1,042,000	−800,500	19,677,900
Air Force	24,259,370	+173,000	−510,375	−337,375	23,921,995
Defense agencies/OSD	3,809,602		−87,380	−87,380	3,722,222
Total, Department of Defense	71,584,000	+414,500	−2,061,880	−1,647,380	69,936,620

For research and development, $7.1 billion is provided.

Then there is an amount equivalent to $11.2 million provided for the utilization of excess foreign currencies by the various services, Army, Navy, and Air Force.

I doubt that there is any necessity at the moment, Mr. Speaker, for a lengthy discussion of the bill in view of the fact that it has been before us in one form or another for such a long period of time. I think ample imformation with respect to the content of the bill is available to Members and to the public in reports, hearings, debate, and so forth.

Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. LIPSCOMB], the ranking minority member of the subcommittee.

Mr. LIPSCOMB. Mr. Speaker, the conference report on H.R. 10738, the defense appropriation bill for fiscal year 1968 now before the House is a good report. It represents certain concessions and compromises on the part of both Houses of Congress as to the appropriate amounts of funding for defense items. This of course is generally the case since conferences are a give-and-take proposition.

In my view the final agreement reached by the House-Senate conferees represents a good outcome and I urge support for the report.

The action taken in conference on the defense appropriation bill represents agreements and accord on funding for significant areas of our defense program.

A major point at issue involved the funding for the F–111B, the proposed Navy version of the variable wing aircraft, known previously as the TFX. Because of the serious deficiencies in the F–111B and the delays encountered, the House of Representatives had reduced the budget request for the F–111B to $208,800,000. This was a cut of $78.2 million from the budget request. This amount was further reduced by the Senate to $115,000,000. The Senate report also stated that the intent of the committee was to provide for the procurement of only six F–111B aircraft for the purpose of continuing the research and development program on this plane and to provide approximately $10 million for the procurement of engines to support a possible further buy of the aircraft. No funds were provided for advanced procurement of long leadtime components other than for the engines.

As agreed to in conference an amount of $147.9 million is provided for the F–111B. This is to provide for the procurement of eight F–111B aircraft, instead of six as in the Senate version of the bill, to continue the Navy's research and development program. No other changes were made in the Senate version. It is the intent to provide not to exceed $10 million for the procurement of engines to support a possible further buy of the aircraft and no funds are provided for procurement of long leadtime components other than for the engines.

The conference action on the F–111B I believe is a fair and equitable compromise which will insure ample funds and leeway to thoroughly test and evaluate the F–111B to see whether it will be suitable as a Navy aircraft. The reduction in funds will not hamper the research and development work on the aircraft.

The House position prevailed in the vital area relating to aircraft development, the F–12, the long-range interceptor aircraft which is the most advanced fighter-interceptor aircraft in existence. As approved by the House, H.R. 10738 continued to make available $55 million from prior appropriations for the F–12 funds which were made available in fiscal year 1967 but not used. The bill as agreed to in conference continues to make the $55 million available only for the F–12, and not for other programs as proposed by the Senate.

I think it noteworthy to mention at this time that the Senate in the Defense bill concurred in the earlier House action in supplying an added $11.9 million to retain B–52 aircraft in the active inventory at the present level. The manned bomber aircraft such as the B–52 is a vital element in our strategic forces and our B–52 bomber force should be maintained at the highest level. Funds have been provided for this purpose and I trust that they will be put to good use.

In this connection, it is essential that work on developing the Advanced Manned Strategic Aircraft—AMSA—be carried on so that we have a replacement for the aging B–52 fleet. In spite of this, the Air Force request for funds for AMSA was cut by the Office of Secretary of Defense approximately in half to $26 million. As agreed to in conference the bill contains $47 million for the AMSA program. The funding is available only for this program.

On the Nike X antiballistic missile system Congress has repeatedly made its position clear. The conference report retains all the funds and adds the Senate language making $269,000,000 of procurement funds available only for the ABM system. The House conferees enthusiastically concur with this language which ties the money down for this purpose and for this one purpose only in defending America in the nuclear age. The money thus appropriated cannot be slipped away for use on some other contingency. With this language, we are saying here there is no superior requirement or contingency for the use of these funds. America must be defended and the required immediate steps should be taken to defend ourselves against the ballistic missile threat.

Provisions were included in the fiscal year 1967 defense supplemental appropriation enacted earlier this year to continue through fiscal year 1968 the eight Air Force Reserve troop carrier and airlift units and the three Air National Guard airlift units which the Defense Department intended to deactivate. The defense budget for fiscal year 1968 was drawn up based on the deactivation of those Air Force Reserve component units. Eight million dollars is added to offset part of the estimated cost to support units that were to be deactivated and it is to be used only for that purpose.

The House amendment to the bill concerning shipbuilding is in disagreement. The amendment, known as the Brynes amendment, stipulates that none of the funds provided in the bill shall be used for the construction of any naval vessels in foreign shipyards. This is a sound amendment and it is one from which we should not recede. At issue here is more than the construction of seven out of 16 ocean minesweepers.

The retention in America of the construction know-how—the technical capability to construct ships needed by the U.S. Navy—is a vital consideration in this amendment.

Also important is the requirement to retain more than one source of procurement. If there is to be only one source upon which we must rely then that source, for sound defense planning purposes, should most certainly be an American source.

But nine of these vessels are already provided for in previous years defense appropriation bills and Congress has not restricted foreign yards to bid on those nine. Therefore it must be made clear that the disagreement is not on the willingness or unwillingness of Congress to permit the procurement of minesweepers in Great Britain.

Let me emphasize that the vessels are first models. They have not been built previously. If we were to recede from this amendment and to thus permit foreign shipyards to bid on the entire 16 vessels, then the skill, the know-how, the technical knowledge could be lost to our country. For let there be no mistake about it, if we permit foreign shipyards to bid then U.S. shipyards could be outbid. Primarily because of their wage costs foreign yards can substantially outbid us and we will then become dependent on others for a source of one of

our defense needs. I urge the Members to support the House position.

In the House version of H.R. 10738 all the funds requested in the Operation and Maintenance accounts for the implementation of the so-called resources management system of the Department of Defense were deleted. This amounted to a total reduction of $52.7 million in various operations and maintenance accounts. The Senate agreed with the House on this deletion.

The principal element of this system is known as Project Prime, a proposal to completely alter the character of defense budgeting and accounting so as to bring it in consonance with the program system of the Department.

The House Appropriations Committee in their report of June 9 stated on page 6:

The Committee is of the opinion that this proposal appears to be a case of too much too soon. While it is undoubtedly true that significant changes in the budgeting and accounting system of the Department of Defense should perhaps be accomplished, and this is to some extent true of all agencies of the Federal Government, what is understood of the proposal under Project Prime would indicate a massive change which to some extent would temporarily diminish Congressional control and which appears to be proposed for at least partial initiation without due regard to Congressional expression.

The Committee directs that there be no such change in the budgeting and accounting system of the Department of Defense preparatory to the formulation of the fiscal year 1969 budget presentation.

The Department may find it desirable to conduct tests of a proposed system on a somewhat larger scale than the brief tests (on differing principles) already conducted. The Committee would not object to a further test of a proposed new system provided the breadth of the test does not exceed one major command per military Service. It is the thought of the Committee that with a year's test experience on a larger and uniform sample, the Department would be better equipped to justify a change, if such were to be proposed, in the budget for, but not earlier than, the fiscal year 1970.

The Senate Appropriations Committee in their report of August 4 stated on page 22:

The committee recommends concurrence in the House action disallowing the requests totaling $52,700,000 included in the various operation and maintenance appropriations for the implementation of the Department's proposed Resources Management System. The committee is in complete accord with the position of the House committee on this proposal. This position was stated in the House report on the bill as follows:

"The committee directs that there be no such change in the budgeting and accounting system of the Department of Defense preparatory to the formulation of the fiscal year 1969 budget presentation."

The committee has no objection to a further test of the proposed system as provided for by the House committee. However, it is the view of the committee that such tests should be funded from available resources and the Department's requests for funds to finance these tests have been disallowed.

On August 7, 1967, the Secretary of Defense, in a letter to the chairman of the House Appropriations Committee stated:

Internally, we shall use a management control system that focuses on expenses classified according to the organization units responsible for incurring them . . .

Statements such as this and others indicated that the Department of Defense was at least partially implementing the system for which funds were disallowed and which the House and Senate committees said should be tested further.

To assure that the intent of the House and Senate recommendations were understood by the Department of Defense the Senate amended the House bill as follows:

On page 45, after line 12, insert:

"(b) During the current fiscal year none of the funds available to the Department of Defense may be used to install or utilize any new 'cost-based' or 'expense-based' system or systems for accounting, including accounting results for the purposes prescribed by section 113(a)(4) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66a(a)(4)), until 15 days after the Comptroller General of the United States (after consultation with the Director of the Bureau of the Budget) has reported to the Congress that in his opinion such system or systems are designed to: (1) meet the requirements of all applicable laws governing budgeting, accounting, and the administration of public funds and the standards and procedures established pursuant thereto; (2) provide for uniform application to the extent practicable throughout the Department of Defense; and (3) prevent violations of the antideficiency statute (R.S. 3679; 31 U.S.C. 665)."

The House conferees concurred to this amendment except for one technical change. The change raises from 15 to 45 days the waiting period after notice from the General Accounting Office that the proposed system meets the requirements set forth in the amendment before the new accounting system is installed and utilized.

This 45-day waiting period will give Congress and the appropriate committees an opportunity to completely evaluate the proposed new system.

The procedures to be followed are set forth in the amendment. They should answer some very serious questions which the Congress should know.

First. Does the proposed system meet the requirements of applicable laws with respect to the budgeting, accounting, and administration of public funds?

Second. Is the system designed and developed for uniform application throughout the Department of Defense?

Third. Is the system adequate to provide for a strict enforcement of the Anti-Deficiency Act, which is the basis for the Federal appropriation laws?

There are several areas of primary concern to me in this program. My greatest concern is that there is not a clear understanding of what this program is and how it is to work, either from the standpoint of those who are originating the basic policies, or those who ought to implement these policies, or those of us who are supposedly to derive the benefits from its accomplishments. As presented to our committee, the system apparently is so flexible as to lead one to question the firmness of its foundations. This is borne out by discussions with the military services and other officials throughout the Department of Defense. Differing views exist with regard to the intent, objectives, and potential accomplishments of the program. The lack of a clear statement of the specific objectives to be sought through this project and through the implementation of the resources management system is highly disturbing. Those concerned with implementing this program and those of us responsible for utilizing the data generated from the system in making decisions must know what these new systems are and how they are expected to work.

There is also a question as to what authority the various military services will have in the implementation of various programs. It is certainly not apparent at the present time as to whether this authority will be greater or lesser than that available at the present time. Does this lead to greater centralization of authority in the Office of the Secretary of Defense? Does it take away essential operational and implementational authority from the program managers in the military services and those charged with operational responsibilities? These are questions which should be, but have not been, answered.

It is a matter of concern that these so-called tests may be used as a guise for implementation of this system rather than as stepping stones to the development of detailed systems and procedures based on solid and realistic specifications. We cannot and we must not implement the overall system in any way until the test results have been validated, examined, and incorporated into specific and clear-cut objectives, specifications, and procedures approved by the General Accounting Office, the Bureau of the Budget, and acceptable to responsible congressional committees.

The Department of Defense needs improvement in its accounting systems. This is a worthy goal but care must be exercised to make sure that proper procedures and controls are developed which meet the requirements.

The Senate and House action has been taken to assure that the new system will be designed properly and is properly approved before the system is implemented.

In conclusion, the House should know that the present outlook is that we will need to have a defense supplemental appropriation bill for fiscal year 1968. There will be a need for additional funding before this fiscal year is completed in the areas of personnel, operations and maintenance, and procurement.

This is not an encouraging prospect as we are completing action on the largest single appropriation bill in the history of the Nation. But we must face up to the funding requirements for our defense commitments in the interest of our national security and welfare.

Certainly it is hoped that we can soon end the Vietnam war victoriously and stop the loss of life and the economic drain on our Nation.

I urge adoption of the conference report on H.R. 10738.

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

Mr. LIPSCOMB. I am pleased to yield to the gentleman from North Carolina.

Mr. JONAS. I understood the gentleman from California to say that there is $146 million in the bill now for eight new F-111B aircraft.

Mr. LIPSCOMB. For research and development.

Mr. JONAS. Is this under the contract the Navy has had trouble with General Dynamics?

Mr. LIPSCOMB. It has been reported in the press that the Navy is having trouble with the contractor.

Mr. JONAS. I read a report in the press yesterday that the Navy contends that the planes are not up to specifications and expectations. If that is so, is it not strange that we would be appropriating another $146 million to buy eight planes which the Navy says are not what they need.

Mr. LIPSCOMB. The administration has gotten our defense forces into the position that they need this type of aircraft. They need something which fulfills this particular mission. They have nothing else coming along. Therefore, we are taking the position that we should try to get carrier suitability for the F-111B. The Navy needs research and development planes, to try to get carrier suitability and to get the plane in shape. We provided funds for this purpose and not for initiating production of this aircraft.

Mr. JONAS. Is it the understanding of the conference committee that the Navy will continue to do business with the manufacturer who has delivered planes the Navy says fails to meet its requirements?

Mr. LIPSCOMB. These are research and development planes. Five have been produced already. They are being changed constantly. The weight of the aircraft is questionable and a major problem.

Mr. JONAS. I understood that the Navy said the five that have been delivered are unsatisfactory. I read in the paper that the Navy plans to penalize General Dynamics and thus recover some of the funds already spent with that company. If this is so, I question the desirability of spending more money, in this instance the large sum of $146 million, procuring additional planes unless assurances are given that the new ones will come up to the Navy's specifications.

The SPEAKER. The time of the gentleman from California has expired.

Mr. MAHON. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. JONAS. I believe the House ought to know as much as the committee does about this situation. I do not like to make up my mind on the basis of news reports, either. That is the reason why I am asking these questions.

Mr. LIPSCOMB. There is no doubt that the plane, the F-111B, has not come up to specifications. They are working with it, trying to improve the present capabilities, trying to make it carrier suitable and to make it workable for the Navy.

Mr. JONAS. I hope they will have some understanding with the manufacturer, before we spend another $146 million, that they can produce a plane which will come up to specifications.

Mr. LIPSCOMB. I hope so, too. I hope the plane will do so.

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

Mr. LIPSCOMB. I yield to the gentleman from Ohio.

Mr. MINSHALL. This goes far beyond the news reports. As the gentleman will remember, we had testimony before our subcommittee. These were based on classified reports, but I can say that all of the testimony we have had before our subcommittee so far has said, to boil it down to a few words, the F-111B has been a complete "dog."

Mr. LIPSCOMB. The news report I referred to said that the Pentagon was to penalize the producer financially for failing to meet contract specifications.

Mr. MINSHALL. Furthermore, the Air Force version, the F-111A, is also in definite trouble.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. LIPSCOMB. I yield to the minority leader.

Mr. GERALD R. FORD. Has there ever been a time when the F-111B has met specifications or criteria?

Mr. LIPSCOMB. Not to my knowledge.

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

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

Mr. GROSS. Does not the gentleman believe it is unconscionable that we should now spend about $19 million per copy for eight of these planes of extremely doubtful value?

Mr. LIBSCOMB. If we had something to replace the F-111B, which would fulfill the mission which is foreseen, I would say "Yes"; but it is going to leave a gap in our program if we do not try to get a plane. I am willing—and it is a gamble—to spend another $147.9 million to see if we can get it to work.

Mr. MINSHALL. Mr. Speaker, if the gentleman will yield further, I should like to say one additional thing. Our committee has not been "brainwashed" or "snow-jobbed" so far as the F-111B is concerned. We have the facts.

Mr. LIBSCOMB. Mr. Speaker, I urge adoption of the report.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I support the conference report.

Mr. Speaker, as the conference report of the Defense appropriation bill for fiscal 1968 is adopted, it would be well to be certain that questions previously raised in connection with the organization of the Army Reserve components have been cleared up and that the new Army Reserve component reorganization plan have been found generally acceptable to the Congress and is ready for implementation.

Members of the House will recall that the Committee on Appropriations report in June in connection with the Department of Defense appropriations bill asked that action on the original Army Reserve components reorganization plan be deferred pending an expression of Congress' views. Subsequently, a revised plan providing for the retention of three combat brigades in the USAR was developed by the Army. The Senate Appropriations Committee report based its recommended Reserve components appropriation on the revised plan, and the Senate adopted this report. In the August 23 House-Senate conference the revised reorganization plan was not an issue.

Accordingly, the appropriations in this bill relating to the Army's Reserve components are based on implementation of the revised plan. The plan also incorporates a paid drill strength of 400,000 for the National Guard and 260,000 for the Army Reserve, consistent with the strength floors which are prescribed in this appropriation bill. These are the same strength floors called for by H.R. 2, which has already received a favorable vote of the House.

Now, Mr. Speaker, let me touch upon the capability of the National Guard to deal with civil disturbances. Because of controversy which has developed in recent weeks, all of us are concerned that the National Guard be fully adquate to meet State missions involving civil disturbances. I believe, however, that some of those who have been disturbed over the impact of the revised reorganization plan have overlooked certain key facts:

The Guard has been used by the States 84 times for civil disturbances in the last 10 years. Only twice has it been necessary to use as much as 50 percent of a State Army Guard's strength—in the Watts riot with 62 percent and in Detroit with 85 percent. The average percentage of the post-reorganization Army Guard strength used has been 9 percent. In Newark this summer only 31 percent of the State's Guard strength was used.

The Guard, under the revised plan will have 75 percent of its 400,000 strength in combat and combat-support units.

The reorganization will increase the number of Army Guard personnel in fully supported units by 110,000. That is the number of Guardsmen now in low-priority units. This alone will improve the Guard's capability, because fully supported units have more people, greater mobility, and greater communication capability.

The programed Guard strength under the revised plan will be higher than the average actual strength during 1960-63.

The combined Army and Air Guard strength will be about 480,000. In addition, the Active Army has seven brigades, totaling 15,000 men, earmarked for civil disturbance duty, and thousands of additional Army and Marine Corps troops can be made available if necessary.

I agree with Department of the Army judgment that the strength of the National Guard is adequate for almost all situations which are likely to occur. It is not necessary or economical to build in each State a National Guard organization capable of responding to every conceivable contingency. Extraordinary situations are best met by utilizing the Active Forces or the Guard forces of neighboring States, as Federal law now provides.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOORE].

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

Mr. Speaker, amendments 33 and 34 to the Defense Appropriations Act of 1967 are of great importance to my district and the economy of my State.

This will put an end to some of the buying practices of the Department of

Defense wherein that Department of our Government seeks to award defense contracts to foreign governments to the prejudice of domestic companies, which are small in character, and which are located in depressed areas of our Nation and employ numbers of our men and women. Areas which the Federal Government has expressed interest in helping, only to find another arm of Government destroying a small existing industry which is providing jobs in the free enterprise tradition.

Mr. Speaker, I have within several months had occasion to investigate a situation that deserves the full attention of the House and Nation.

I am speaking of the procedures of the Department of Defense and its policy of awarding defense contracts to foreign firms.

In June a contract was awarded a Taiwan Nationalist Chinese firm for 708,000 inflatable rubber mattresses to be utilized by our Armed Forces. The lowest domestic bid was made by Rubber Fabricators, Inc., of Grantsville, Va., a firm located in my district.

The letting of this contract marks an example of one of the great inconsistencies of our time, wherein the Federal Government on the one hand spends millions of dollars to create employment in depressed areas of our Nation and then the Defense Department awards contracts to foreign firms paying 7 cents per hour for labor, thereby forcing firms in that area to close their doors.

We of the Congress have been encouraged to act and we have responded to the needs of the areas of our country that suffer from chronic unemployment. Our attention has been called to the regions of our Nation that are cited as prime examples of poverty. My own State of West Virginia has received much publicity over its economic difficulties, described in bureaucratic jargon as "depressed and critically wanting."

We have approved legislation that served to correct these deplorable conditions in Appalachia. An extensive and expensive Government program was formulated to attract industries and small business and encourage them to locate in the communities designated as being "labor surplus areas." Low-interest loans, training grants, and other Federal benefits were made to stimulate and revitalize the economy.

Mr. Speaker, now, paradoxically, the Department of Defense is about to force one of our firms to close its doors. Rubber Fabricators, Inc., of Grantsville, W. Va., has been operating successfully for 10 years. They have been utilizing employees from a county located in what is known as the heart of Appalachia. They are now just completing an order for 302,000 of the rubber mattresses of the type awarded to the Taiwan firm.

Mr. Speaker, my investigation revealed several interesting facts. In addition to the labor rates in effect in Taiwan which amounts to almost slave labor, I found that Davisson and Co., the Taiwan firm receiving the award, does not even have manufacturing facilities. It is an import-export firm which, according to the World Trade Journal presently has 22 employees. I can only presume that the units to be produced will be subcontracted to another firm.

Now, this West Virginia industry easily falls within the Government's guideline of a small business. It is also interesting to note that the domestic price of this item has been constant. This particular item was first sold to the Department of Defense. The price per unit was about $7.50. Today, some 15 years later, the price remains about the same. This indicates that there is competition and a willingness to produce necessary items at the minimum domestic price.

Mr. Speaker, I protested vigorously the actions of the Department of Defense. I urged a complete review of this particular contract. In addition to urging a review, I requested that purchasing directives required a part of this contract to be set aside for small business bidders. I am pleased to say that after the exertion of much pressure the Defense Department finally agreed to permit domestic industries to bid on the small business set-aside portion of this contract. Having already given the greater part of the award to the Taiwan company, this was, indeed, a small victory.

I am further pleased, Mr. Speaker, to announce that when the bids were recently opened on this set-aside portion of the contract, Rubber Fabricators of Grantsville, W. Va., was the low bidder. They have been successful in obtaining this $2 million defense contract, no thanks to the original thinking of the Department of Defense.

I am pleased to have aided in making the contract award possible, through constant pressure on the agency involved. Without this monitoring this contract also would have gone to a foreign power.

Now, Mr. Speaker, with this explanation of our difficulty, this amendment looms large in solving our problems of the future. Very simply put, it will remove a contract of this type from the reach of foreign bidders. We can now be permitted to grow economically in Grantsville, W. Va., to rid ourselves of the designation of "depressed area," no thanks to the Department of Defense.

It is indeed a pleasure to be helpful to the employees of this industry and to the citizens of Grantsville, W. Va.

I urge the approval of these amendments to the Defense Appropriation Act of 1967.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. VAN DEERLIN].

Mr. VAN DEERLIN. Mr. Speaker, I cannot help but wonder if the proponents of the Byrnes amendment to the Defense appropriation bill have fully considered, or are really aware of, its implications and possible consequences. The immediate effect would be to prevent British firms from bidding competitively for the award of contracts to construct some wooden-hulled minesweepers for the U.S. Navy. The long-range effects could well be the cancellation by Great Britain of part or all of more than $2½ billion worth of contracts to buy military equipment from the United States.

Britain has signed an agreement with this country to buy $2.6 billion worth of such products, chiefly aerospace equipment and airplanes such as the C-130, the F-4, and the F-111. Prime contractors for these planes are situated in Georgia, Missouri, Texas, and Pennsylvania. However, there are more than 10,900 subcontractors across the Nation who will benefit from the expenditure of this $2.6 billion by Great Britain in this country. Many of these are in my own State of California, and some are in my own district.

In consideration of Britain's expenditures of this vast sum in this country, we have agreed to let Britain bid, on a competitive basis, on $325 million worth of military equipment contracts. Among these are contracts for construction of the minesweepers. If we now refuse to permit that competitive bidding, Britain may well take the position that we are failing to live up to our agreement, and in turn could well move to cancel all or part of her contracts with us.

Rightly appalled by the possible implications and effects of passage of this amendment, and gravely concerned over possible loss of British orders, firms in the aerospace industry are making urgent attempts to call these facts to the attention of this body. I have today received telegrams from three large California firms, two of them in my district, urging defeat of this measure, not only in the interest of their industry, but of the other industries across the Nation which stand to benefit tremendously from our agreement with Britain.

I consider that we are not only morally obligated to permit British firms to offer competitive bids for construction of these ships within the limits of our agreement, but that the interests of our own industries, particularly aerospace, require us to do so. I urge that we concur with the Senate's action, and recede from support of the Byrnes amendment.

Mr. GROSS. Mr. Speaker, will the gentleman yield to me for one question?

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

Mr. GROSS. I assume that all pay for military personnel is contained in this bill. Is it not?

Mr. MAHON. All pay for military personnel is contained in this bill. Of course, if we have a pay increase for Federal employees, including the military, it will probably require funds over and above the amount provided in this bill.

Mr. GROSS. I note in the morning paper that a Navy lieutenant by the name of Ryan Lamb has been assigned to Marine Capt. Charles S. Robb at the White House as his press and social relations man. I assume that this Navy lieutenant is being paid out of this $70 billion fund as the representative for the Marine captain at the White House. Would this be true?

Mr. MAHON. I have not read the story to which the gentleman makes reference, but I repeat this bill carries all pay for all military personnel in the Armed Forces.

Mr. GROSS. Would the gentleman think that a Marine captain stationed at the White House would be entitled to a press relations man, a lieutenant in the Navy? Are we spending money here

to train personnel to be used in the armed services of this country or are we training them for press relations and social services?

Mr. MAHON. Well, circumstances alter cases, I would say to the gentleman.

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

Mr. MAHON. I yield to the gentleman.

Mr. JONAS. I hope the chairman of the committee can give the House and the country some specific assurances that this $146 million will not be spent for unsatisfactory aircraft. If they do not meet the specifications, then what will happen? I am disturbed and I know that people throughout the country are disturbed, because I have had several telephone calls about that story myself. I think before we finish action on this report whatever assurances can be given should be given that we are just not going to permit the Navy to continue to spend money on unsatisfactory aircraft.

Mr. MAHON. The Navy has been working for many months on the Navy version of the F–111 aircraft, the so-called TFX. It has not been perfected. I do not know of any major aircraft program yet, or any complex military machinery, that has ever been completely effective and perfect from the very beginning.

The Navy hopes desperately that the F–111B will turn out to be a satisfactory carrier plane. I think the chances are certainly reasonably good that this will happen, but you have to spend money to develop an aircraft and see whether or not it can be brought to meet the requirements. That is the way planes have been perfected in the past, and no doubt it will continue to be the method followed in the future.

We in Congress have been very cautious and perhaps too cautious in not giving the Navy a little more leeway. We, perhaps, should have let the Navy go forward more rapidly in developing an operational aircraft along with this development program. Instead, we have been very cautious in providing the funds, and I hope we are doing the right thing. If it turns out to be a plane that cannot be used by the Navy, we may have invested vast sums of money in a project that did not turn out to be successful. This is not anything new, but it is regrettable. We will have to try to provide this plane. The Navy needs it and the Navy wants it, and I will say the Navy is increasingly impressed with the possibilities of the F–111B. The F–111 aircraft is to some extent three aircraft and not just one and the cancellation of one version would not necessarily be a total loss.

Mr. JONAS. Mr. Speaker, if the gentleman will yield further, may I ask the gentleman from Texas [Mr. MAHON] if the gentleman read the article which appeared in the Wall Street Journal of yesterday to which I have referred?

Mr. MAHON. I have not.

Mr. JONAS. As I read some of those reports, they intimated that the Department of the Navy is getting ready to penalize General Dynamics and thus to recover some of the money which it has already paid that firm.

If that is not correct, it is my opinion that a correct statement should be made with respect thereto or that some denial should be made. I say this because I cannot understand if that is true why we would turn around and provide another $146 million to spend with the same firm, until assurances are received that future planes will come up to specifications.

Mr. MAHON. I would say to the gentleman from North Carolina that the Department of the Navy has contracted with this firm. But if there are any damages or claims which could inure to the benefit of the Government, then that course of action should be followed on the part of the Government. It would be questionable whether or not we could, or should, turn over the F–111B to some other manufacturer. The F–111B, as the gentleman from North Carolina knows, essentially is made in the State of New York. But we cannot change, in this short period of time, the contract on the plane, nor should we let it go down the drain, without determining whether or not it can be made into an effective aircraft.

Mr. JONAS. Mr. Speaker, if the gentleman will yield further, I am not suggesting that approach. I am just seeking some assurance that we are not getting ready to waste some more money or are not preparing to pour more funds into the design and construction of a plane that is unsatisfactory for our proposed use.

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

Mr. MAHON. I yield to the distinguished gentleman from California.

Mr. LIPSCOMB. Mr. Speaker, I want to point out the fact that these are research and development planes on which we are expending this money. The actions that have been taken by the House conferees and those of the other body are against the Department of Defense going into the procurement of production type aircraft and the setting up of a production line. These funds are basically for research and development aircraft.

Mr. Speaker, I am concerned about the F–111B. I am also concerned that we need a plane. So, this is a gamble.

Now, if the character and suitability of this plane is not worked out, the Department of Defense or the Secretary of Defense should cancel the contract and all of the money that we have put into the F–111B in this bill for airframes and engines should be transferred over to other F–111 type aircraft. Thus, there would be little if any loss from this gamble we are taking.

What we are doing is gambling $147.9 million in order to see if we can obtain a carrier suitability aircraft.

Mr. Speaker, my remarks should not be construed as representing confidence and support of the F–111B program. The manner in which it has been handled has been scandalous, but we do need such a plane. So, we do the best thing we can do in order to obtain a plane that the Department of the Navy can fly and with which it can defend our country.

The $147.9 million contained in this conference report represents, and is the best job we can do under the circumstances.

Mr. ANDREWS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MAHON. Yes, I yield to the distinguished gentleman from Alabama, a member of the committee.

Mr. ANDREWS of Alabama. Mr. Speaker, I would like to say that the members of the Committee on Appropriations over the past 2 or 3 years have cautioned again and again the Navy officials not to procure the F–111B, if the contractor did not meet the required specifications. We have been assured by Department of the Navy officials that they would not procure or purchase any planes that do not meet the required specifications. No money, so far, has been appropriated for production of aircraft for the Department of the Navy. All that has been appropriated for the F–111B has been related to research, development, test, and evaluation.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I support the conference report.

Mr. Speaker, in the bill before us both the House and Senate provided budgeted amounts and inserted language establishing floors on numbers of personnel, 400,000 for the Army National Guard and 260,000 for the Army Reserve. We have had to take similar action since 1959. On August 26, this year, I spoke to the Mississippi National Guard Association setting out in detail what I say here. Believing that we owe it to ourselves, to the Congress, and to our men in service to present our sincere analysis of our situation, I say frankly we are in serious trouble both at home and abroad. As we take up this huge defense appropriations conference report, I feel the record should show just what a situation we face. I offer these sincere statements in the hope that we may act now for the hour is late and conditions are becoming intolerable.

Mr. Speaker, I became a member of the Appropriations Committee in 1943.

In World War II, I was fortunate enough to be on the Appropriations Subcommittee for the Department of the Navy. As a member of that committee I saw the great job done by members of the Guard and Reserve, who contributed so much to our victory helping to furnish perhaps the most effective military leadership that any nation has ever known.

During that period, our subcommittee was with Admiral Nimitz in the Pacific; General Chenault of the Flying Tigers in Kunming, and Gen. Pat Hurley in Chungking, both in China. We were aboard ship with Admiral McCain of our own State in Leyte Gulf. We were with General MacArthur in the Philippines, and on Iwo Jima a few weeks after the restoration of the flag by our marines who have been honored by the Iwo Jima memorial statue now in Washington. We traveled through Italy, France, and England, and were in Frankfurt, Germany, when we thought our troops were going into Berlin. Unfortunately, as you know, the decision was made to allow the Russians to go in first—a mistake for which we have paid dearly ever since.

After the war was over, I took on other assignments. I was reassigned back to the Subcommittee on Defense Appropriations in the early 1950's where once again I became active in Defense appropriation matters. I made the motion to investigate the procurement practices of the Military Establishment. Our findings caused Secretary of Defense Wilson to say it made him mad and sad to know of conditions in his own Department.

Later, when our committee felt we were not getting full information on Russia, I went there with representatives from our committee staff. We drove by private automobile along Russian highways and rode the trains; we flew the Russian airlines, going from Warsaw, Poland, to major points in Russia such as Moscow, Kharkov, and Kiev. We were in Posnan, Poland, during the war trials there and got out of Budapest, Hungary, just before the slaughter of countless Hungarians by Russian soldiers. Our report was termed invaluable by the CIA Director.

I have served continuously on the Defense Appropriations Subcommittee during the Vietnam crisis.

VIETNAM

Having served on the Committee on Defense Appropriations and listened to all of the key witnesses—to the Secretary of Defense and the Joint Chiefs of Staff on down to more subordinate officers—I must say that things do not go well with us in Vietnam.

Never in history has a war of this size been carried on so long without a plan for victory. Never have we faced a situation where the Secretary of Defense can only claim, as our Secretary does, that "we plan to win by proving to the enemy that he can't win."

From a modest beginning—300 military assistance and foreign aid advisers in 1955—we escalated our involvement to 692 advisers in 1957, and to 10,000 by the end of 1962. In 1963 the Secretary, who each year estimated when our involvement would be over, joined by former Senator Lodge, said the maximum number we would need was 16,500. By July 1965 this number had gone up to 72,000; by November 1965 it had increased to 165,700, and an admitted military operation was on. No longer could the fantasy that our military personnel was there only to counsel and advise be maintained. Today, we know that we have more than 464,000 Americans in Vietnam engaged in combat up to the hilt. The latest plan, according to the President, is for an increase to 525,000 men by June 1968.

Since 1960, our present Secretary of Defense, who finds it most difficult to believe that he could have ever been wrong, has been trying to play poker with orientals where the game of poker was played 5,000 years before our Nation was founded. In his appearances before our committee the Secretary does not seem to realize that every day that this tiny nation of North Vietnam keeps us tied down, spending more than $20 billion a year as we are today, its leaders as well as those of Russia believe they are winning.

Most of our people do not seem to know just how little united support we have in South Vietnam, where our enemies hide among the people which means that the South Vietnamese on our side will not report the other South Vietnamese, the Vietcong who each night war against our men.

Recently I have studied still further the history of Vietnam, of both North and South Vietnam. According to all the records, a large percentage of the South Vietnamese, allied with us, have historically managed to get by with others doing most of the fighting, even during the French occupation. In the early days of the present war, when our men were there to counsel, to advise and then to supervise, the South Vietnamese of course carried the brunt of the fighting which was sporadic. But as time has passed, more and more the full weight of the war has been placed on the shoulders of our American boys.

I know you, like me, find it difficult to accept the fact that a hundredth-rate power such as North Vietnam, supported by the Vietcong, has our Nation, with all its power, tied down halfway around the world. To me, every additional day such a condition continues increases their claim to victory and further weakens our position.

I say here and now we must call on North Vietnam for an immediate peace. If this is not forthcoming, we must knock out every vestige of military power or supporting strength in North Vietnam. We owe to the more than 464,000 Americans we have there now, and to the others who are expected to be assigned there soon, this all-out action. Then, as soon as that job is done, we must turn to local officials soon to be elected in South Vietnam and say:

"We have developed your country. We have built you roads, harbors, and airfields. We have brought you almost unlimited military equipment and taught you how to use it. We have provided more supplies and set up more reserve supplies than your country has ever known. We have virtually knocked your opposition out. Now that we have put you in the saddle, it is up to you to carry on, for we have done our part." And then we need to come home.

After listening to the detailed testimony of our top-flight military leaders and civilians in the Department of Defense through the years, I am convinced this is our only solution.

Any course of action which leaves us involved in a land war in the forests and jungles of this small nation on the continent of Asia, half-way round the world, for years to come is one of failure. We cannot continue to fight indefinitely for people, a large number of whom only half-heartedly fight for themselves.

Mr. RYAN. Mr. Speaker, the conference report on H.R. 10738 recommends the largest appropriation bill for the Department of Defense in our history—$69,936,620,000. Thus $70 billion out of a $135 billion budget, or more than 50 percent, is for military purposes.

While I do not dispute the need to finance the Department of Defense, I am concerned about the magnitude of the military budget, its relationship to the budget for urgent civilian needs, and the imbalance in national priorities which it represents.

Moreover, this $70 billion conference report is permeated with funds for financing a continued escalation of the war in Vietnam. According to the Committee on Appropriations, the Department of Defense estimates that about $20.3 billion in this bill will be required for the war during fiscal year 1968. It is our experience that these estimates always fall short of reality, and we can expect, as usual, that the figures will increase as the year advances. In March of this year we had a $12.3 billion supplemental defense appropriation for Vietnam for fiscal year 1967, and there are few who do not expect a similar or greater supplemental request for fiscal year 1968.

From the beginning I have questioned the policy pursued in Southeast Asia, the Americanization of a Vietnamese war, and the practice of continuing escalation. I have repeatedly urged the administration to seek a political, not a military solution to the conflict. I have consistently voted against the administration's requests for funds specifically earmarked for Vietnam. I have pointed out that fiscal power is the only real power Congress has either to control an agency, to influence foreign policy or to communicate with the executive branch. In this case, the only available option, and my intention today, is to communicate with the President, and to represent my constituents who are, to be sure, deeply disturbed about this war.

Obviously, there are many legitimate defense needs which must be funded. But the bill before us today is grossly distorted by the financing of the Vietnam war, as is the entire shape of the Federal budget. A $70 billion military budget shortchanges our cities at a time when the most profound threat to the security of the Republic is a domestic crisis whose urgency has found no parallel in the administration's response. I have no doubt that the impact and strain of the war mood and the war budget must share a part of the responsibility for this domestic crisis.

The appropriation itself contains $20.3 billion for Vietnam. However, the current level of spending is approaching $2.5 billion per month, or closer to $30 billion annually—according to figures cited by Senator STENNIS.

Thus, although the war accounts for about one-third of the military appropriation, it stands out as the most visible sign of our neglect of crucial priorities at home. It is extraordinary to realize that we are now spending about half as much as our entire domestic budget to finance this war.

Three months ago on June 13, when this House sent H.R. 10738 to the Senate in the amount of $71.6 billion, there had yet been no Newark, no Detroit, no bombing of the Chinese border zone and North Vietnamese ports, no straying of American aircraft into China, no decision for an additional 45,000 troops, and no Presidential message to Congress recommending a 10-percent tax surcharge. One won-

dered how the situation could worsen, and one found out.

At a time when the portents in Vietnam are only for deeper entanglement, greater loss of life, and risk of wider war, when the voices of moderation in the administration are losing currency, and when the necessary domestic programs we have are in jeopardy, I must protest allocating $70 billion for the Department of Defense.

I have never seen our national priorities more unbalanced; the implications of this imbalance are alarming.

Many elected officials have taken the occasion to say that they will not "reward" rioters. If the conditions which produced this despair are permitted to fester and worsen, we will be "rewarded" with greater unrest.

The President proposes to raise $7.4 billion to help reduce the deficit to manageable proportions through additional taxes, including a 10-percent surtax on income tax liabilities. The same objective could be accomplished through a 10-percent reduction in military spending. Extreme economies are being thrust upon desperately needed domestic programs, yet the military budget grows more bloated than ever.

Unfortunately, under the parliamentary situation today, there is no opportunity to offer amendments proposing a 10-percent reduction, or to vote separately on the spending earmarked for Vietnam. Still, we are confronted with an escalating war, the initial unwisdom of which is being more wisely acknowledged. Goldwater was rejected when he candidly forecast the logical consequence of this military approach to the problems of Southeast Asia.

In 1965 I was one of seven in the House who voted against supplemental defense funds earmarked for Vietnam. In 1966 I was one of four to do so. This year, on March 2 and March 8, I again voted against the supplemental defense authorization bill for Vietnam, and on March 16 against the $12.3 billion appropriation. There were eleven votes in opposition. I argued in the House that a vote for these funds would sanction continued escalation of the war.

Today, in the context of an escalating, yet undeclared war, the unattended problems of our Nation, the administration's effort to impose more burdensome taxation in order to offset the war's cost which this appropriation bill increases, I am unwilling to approve of the policy decisions implicit in this bill.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the conference report at this point in the RECORD.

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

There was no objection.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 366, nays 4, not voting 62, as follows:

[Roll No. 244]

YEAS—366

Abbitt
Abernethy
Addabbo
Albert
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Ashmore
Ayres
Barrett
Bates
Battin
Belcher
Bennett
Berry
Betts
Bevill
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brasco
Bray
Brinkley
Brock
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson
Burton, Calif.
Burton, Utah
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carey
Carter
Casey
Cederberg
Celler
Chamberlain
Clancy
Clark
Clausen, Don H.
Cleveland
Collier
Colmer
Conable
Conte
Corbett
Corman
Cowger
Cramer
Culver
Cunningham
Curtis
Daniels
Davis, Ga.
Davis, Wis.
Dawson
de la Garza
Delaney
Dellenback
Denney
Derwinski
Devine
Dickinson
Dole
Donohue
Dow
Dowdy
Dulski
Duncan
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, La.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Everett
Fallon
Fascell
Findley
Fino
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gardner
Garmatz
Gathings
Gettys
Giaimo
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gurney
Haley
Hall
Halleck
Halpern
Hamilton
Hammer-schmidt
Hanley
Hanna
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kornegay
Kuykendall
Kyl
Kyros
Laird
Landrum
Langen
Latta
Lennon
Lipscomb
Lloyd
Long, La.
Long, Md.
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McFall
Macdonald, Mass.
MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Calif.
Mathias, Md.
Matsunaga
Mayne
Meeds
Meskill
Michel
Miller, Ohio
Mills
Minish
Minshall
Mize
Monagan
Montgomery
Moore
Moorhead
Morgan
Morris, N. Mex.
Mosher
Moss
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Poff
Pollock
Price, Ill.
Price, Tex.
Pryor
Pucinski
Quie
Quillen
Railsback
Randall
Rarick
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, Pa.
Rosenthal
Rostenkowski
Roth
Roudebush
Roush
Roybal
Ruppe
St. Onge
Sandman
Satterfield
Schadeberg
Scherle
Scheuer
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, Okla.
Snyder
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thomson, Wis.
Tiernan
Tuck
Tunney
Ullman
Utt
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watkins
Watson
Watts
Whalen
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wright
Wydler
Wylie
Wyman
Yates
Young
Zablocki
Zion
Zwach

NAYS—4

Brown, Calif.
Farbstein
Rooney, N.Y.
Ryan

NOT VOTING—62

Adair
Adams
Anderson, Tenn.
Ashbrook
Aspinall
Baring
Bell
Blackburn
Brademas
Clawson, Del
Cohelan
Conyers
Daddario
Dent
Diggs
Dingell
Dorn
Downing
Edwards, Calif.
Evins, Tenn.
Feighan
Fisher
Gallagher
Gibbons
Green, Oreg.
Hagan
Hansen, Idaho
Hansen, Wash.
Hébert
Heckler, Mass.
Kupferman
Leggett
Lukens
McCarthy
McEwen
McMillan
May
Miller, Calif.
Mink
Morse, Mass.
Morton
Multer
Murphy, N.Y.
O'Hara, Mich.
O'Konski
Pirnie
Poage
Pool
Purcell
Rees
Rivers
Rumsfeld
St Germain
Saylor
Smith, N.Y.
Thompson, N.J.
Udall
Williams, Miss.
Willis
Wilson, Charles H.
Wolff
Wyatt

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. O'Konski.

Mr. Downing with Mrs. Heckler of Massachusetts.

Mr. Udall with Mr. Saylor.

Mr. Aspinall with Mr. Del Clawson.

Mr. Miller of California with Mr. Adair.

Mr. Murphy of New York with Mr. Kupferman.

Mr. Gallagher with Mr. Morse of Massachusetts.

Mr. Dent with Mr. Smith of New York.

Mr. Daddario with Mr. Wyatt.

Mr. Evins of Tennessee with Mr. Hansen of Idaho.

Mr. Rivers with Mrs. May.

Mr. Leggett with Mr. Pirnie.

Mr. Brademas with Mr. Morton.

Mr. Wolff with Mr. Bell.

Mr. Feighan with Mr. McEwen.

Mrs. Green of Oregon with Mr. Lukens.

Mr. Charles H. Wilson with Mr. Rumsfeld.

Mr. St Germain with Mr. Ashbrook.

Mr. Multer with Mr. Blackburn.

Mrs. Mink with Mr. McCarthy.

Mr. Cohelan with Mr. Conyers.

Mr. Adams with Mr. Baring.

Mr. Fisher with Mr. Edwards of California.

Mr. Hagan with Mrs. Hansen of Washington.

Mr. Dingell with Mr. Dorn.

Mr. Rees with Mr. Diggs.

Mr. Anderson of Tennessee with Mr. Williams of Mississippi.

Mr. Thompson of New Jersey with Mr. O'Hara of Michigan.

Mr. Gibbons with Mr. McMillan.
Mr. Purcell with Mr. Willis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. ALBERT). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 16, line 2, strike out "$5,475,000,000" and insert "$5,478,600,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$5,462,500,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 16, line 16, strike out "$2,946,500,000." and insert "$2,950,700,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$2,939,100,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: On page 17, line 15, strike out "*Provided further,* That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House insist upon its disagreement to Senate amendment numbered 18.

PREFERENTIAL MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

The SPEAKER pro tempore. The gentleman from Texas [Mr. MAHON] is recognized for 1 hour.

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

Mr. Speaker, the matter we are about to discuss is a highly controversial one. It relates to what is known as the Byrnes amendment. The Byrnes amendment would prohibit, in effect, the Department of Defense giving the British shipbuilding industry an opportunity to bid on seven wooden hull minesweepers. It should be understood that most of the machinery for these minesweepers would be produced in this country. As a matter of fact the Government-furnished equipment to be procured in this country represents about 30 percent of the total cost. In addition, if a British firm is successful in bidding on this contract it will undoubtedly procure additional equipment, particularly that involving nonferrous material in the United States.

Mr. Speaker, the British are buying a large quantity of military materiel from us—about eight times as much as we would agree to purchase from them. We would not gratuitously grant contracts to the British, but only give them an opportunity to bid until this procurement goal is reached.

Mr. Speaker, when this bill was pending before the House the amendment was adopted by a vote of 119 to 61. There was not a rollcall vote. The amendment was not discussed in great detail at the time. The bill went to the other body with the amendment contained therein. The other body struck it out. The other body debated the proposal at great length, and after the discussion, no amendment was offered to place the Byrnes amendment in the Senate version of the bill. Neither body would yield in conference. Therefore, the matter is brought back to the House of Representatives in disagreement.

I have offered this pro forma amendment in order to insist upon the position of the House.

Mr. Speaker, I personally feel that this amendment is against the best interest of the United States and I opposed it at the time it was offered. That view is widely shared by officials of the executive branch of the Government and by persons in industry.

I do not quarrel with those whose congressional districts have a special financial stake in this particular amendment. But I would say that those whose districts have a financial interest in defeating the Byrnes amendment are vastly larger in number than those whose districts would be served by the continuation of the Byrnes amendment.

So, Mr. Speaker, while I have moved, in accordance with my position as chairman of the House conferees, to insist on the House position, I believe it would be a serious mistake to do so. I have done this as a matter of parliamentary protocol.

Mr. Speaker, I yield 10 minutes to the gentleman from Florida [Mr. SIKES], who has offered the motion to recede and concur in the Senate amendment.

Mr. SIKES. Mr. Speaker, my proposal would strike from the bill the Byrnes amendment adopted by the House at the time of the passage of the bill.

Basically I am a protectionist. I think the policy of free trade has been overworked. I think many segments of American industry need protection from foreign competition which they are not now receiving. But I am opposed to the restrictive language in this bill and I propose that it be deleted. There are two reasons. Our Government has made an agreement with the British Government which is very heavily weighted in our favor. The British are committed to buy $2,645,000,000 in defense needs from U.S. industry. We have promised to buy in return only $325,000,000 in goods from the United Kingdom. This is better than an 8-to-1 ratio in our favor. If nothing else were involved, this would be good business. But more is involved. Our Government has given its word. The British already have bought $1.7 billion from us; we only $143 million from them. If we jerk the rug out from under the administration, we will be providing the worst kind of example of how to conduct a respectable and effective world trade policy. No government could afford to trust our commitments.

I know how much appeal the House language has and I am fully sympathetic with any Member who feels he has an obligation and a responsibility to protect his own industries. However, that is not exactly what is at stake here. The House language is not designed to protect the American shipyard industry from all foreign shipyard competition. Actually we are talking only about the purchase of seven minesweepers. Even though the proviso prohibits the purchase of all types of ships abroad, we are talking only about the purchase of minesweepers. Sixteen minesweepers are listed but this proviso would apply only to seven of the 16. As far as I can determine, this probably will involve only three shipyards in the United States. These are the only yards which have shown an interest in this comparatively small order. Protection for three shipyards is a far cry from an effort to protect the entire American shipbuilding industry comprising hundreds of yards from the inroads of foreign competition.

These seven minesweepers are estimated to cost $60.7 million. The British might, or might not, be able to bid successfully on this order. In other recent shipbuilding competition, the British firms have lost orders to American yards. One of them being the yard which is the principal advocate for the Byrnes amendment. But assuming that the British could bid successfully for these seven minesweepers at a cost of $60.7 million—$45 million of this to be expended abroad—let's see what the effect would be on the American shipbuilding industry. During the construction period of these minesweepers it is estimated that there will be a total shipbuilding appropriation of $6.2 billion. There is in addition a $7 billion shipbuilding backlog in U.S. shipyards.

The U.S. shipbuilding industry already is in a privileged position. The United Kingdom order would be only a drop in the bucket—less than 1 percent. By further protecting the industry with the language of the House bill, we would place our Government in the position of being unable to carry out a commitment entered into formally and in good faith with the United Kingdom.

Now let us get down to cases. Let us look at the real facts. The United States has sold over $11 billion in military equipment to our allies in the past 5 years. It does not make sense to assume that we can continue to do this without reciprocal purchase of equipment from our allies abroad. They have legislative bodies also and those legislative bodies

are just as quick to pounce on a one-sided situation as we are.

You can well imagine what would be said in the British Parliament—how adverse this might be to the existence of the British Government itself.

It has been stated that labor opposes the proposal to permit these minesweepers to be built in foreign shipyards. If so I must say this is a shortsighted attitude. Labor has much more to gain by standing behind the administration's agreement with the British than it has to force its cancellation. If the House refuses to uphold the administration's agreement it must be anticipated that the British Government will refuse to abide by their end of the bargain too, and labor will lose eight times as much as it gains.

There is no question here of a loss of know-how or capability. These ships are only slightly different than previous minesweepers constructed in U.S. yards. The U.S. Government would furnish from U.S. sources all of the complicated equipment to be installed on the ships. Under no circumstances can it be concluded that the U.S. mobilization capability would be increased significantly if these minesweepers were built at home.

Remember that we are just giving the British an opportunity to bid. There is no guarantee that the ships will be built in Britain. Opening up bidding to British concerns does not automatically insure that they will always bid successfully against U.S. firms.

Please note that the British are not getting a free ride. This is not a loose credit transaction or a soft loan. This is a cash-and-credit transaction with credit payments to be handled through the Export-Import Bank. The credit is a hard loan at high interest rates.

The only thing of value which we would lose is our country's word. We cannot live in a world all our own. We must get along with other people. We have to trade with them. Trade can never be altogether one way. If we sell, we also have to buy. We have much the better of the deal which has been entered into. The ratio is 8 to 1 to our advantage but regardless of the ratio, let us not repudiate our Nation's word and let us not forget that we are dealing with one of the very few major countries which still stand with us in most of the questions which confront us in today's troubled world.

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

Mr. SIKES. I yield to the distinguished gentleman from Mississippi.

Mr. COLMER. First, permit me to say that the very able and distinguished gentleman from Florida, a member of this splendid Committee on Appropriations, has made a very convincing argument from his point of view.

Permit me, if I may, first to say——

Mr. SIKES. I hope then that I have the support of the distinguished gentleman from Mississippi.

Mr. COLMER. That remains to be seen. While I represent a shipbuilding industry, I have heard nothing from that industry. So far as I know, they are not concerned with the question. But the thing that concerns me is the precedent that is being set here, and the getting of the camel's nose under the tent, as it were, in this kind of transaction. It may be true that there are only a few wooden ships involved here. But what will be involved later? How far will the executive department go once the Congress has sanctioned this so-called agreement?

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

Mr. MAHON. I yield the gentleman from Florida 1 additional minute, but all the time, I must say, is taken and I cannot yield another minute, if the question takes the minute I am now yielding.

Mr. COLMER. I believe I have made my point. I thank the gentleman for yielding.

Mr. SIKES. I recognize the concern of the distinguished gentleman, and I applaud him for it. This is not a precedent. This is not something we are starting. This is a contract which is already in process. Let me remind you that the British are buying over $2.6 billion from us while we buy only $325 million from them. They have already bought from us $1.7 billion, and we have bought only $143 million from them. We are seeking a continuation of a sound arrangement.

Mr. MAHON. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. BYRNES].

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I appreciate the chairman of the Appropriations Committee yielding me this time.

An attempt has been made to indicate that the conference report involves only seven little ships. What prompted me to add my amendment to the appropriation bill was not the building of seven little ships. There are basic principles involved. There are fundamental issues that should be decided by this House.

One question involved is whether the Congress or Secretary McNamara will decide whether defense weapons will be built at home or abroad.

We have a law on the statute books. It is called the Buy American Act, and it generally requires the purchase of defense goods in this country. We do have a provision in that act which states that, in case of national emergency or national need, the requirement can be waived, and that is what has happened here, but the basic law provides that these ships shall be built in the United States.

I also call to the attention of the House the language appearing in the bill that is now being debated. That language passed the House and it passed the Senate. What is that language? What does it state? The bill provides:

> *Provided,* That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel.

The chairman put that language in. The committee put it in. They would forbid construction of major components in foreign yards. Why are they concerned if we include an amendment that provides that the vessels themselves shall not be constructed, with the money appropriated herein, in foreign yards?

I believe the argument of the gentleman from Texas and the gentleman from Florida falls on awfully rocky soil since they have themselevs put in the language which is just as restrictive as the one they now approve.

There are some other pretty fundamental issues involved here.

Involved is the question of whether Congress will turn over to Secretary McNamara the responsibility given to us by the Constitution to provide and maintain the Navy. Involved is the question of whether this country, in a time of war and world crisis, wishes to place its sole reliance upon a foreign nation for the construction of one of our indispensable defense weapons.

To clarify the issue, Mr. Speaker, let us get down to the specific situation—and if this is not a precedent, I do not know what a precedent is. This Congress authorized and funded construction of four ocean minesweepers for fiscal year 1966, and a year later, five more for fiscal year 1967. None of these ships has been built. They were ready to let the bids last year, but the Defense Department changed its mind and decided to develop a new type of ship, to make extensive design changes. It was also decided then to build seven more, so we would have not nine, but 16. The funds for these seven additional ships are contained in this bill, $61 million. But here is the key point, and here is the point at issue, which makes this an important decision for this Congress.

Secretary McNamara has also decided that all 16 of these ships shall be let to a single builder, in a sole-source, multiple-year procurement. Frankly, I have grave doubts, as I think many Members in this Congress have grave doubts, about the wisdom of the policy being furthered by Secretary McNamara to develop single source procurement, but while I have doubts about that, there is no doubt at all about this particular single-source procurement.

The single-source procurement intended to be pursued by the Secretary in this instance is not only to make a single-source multiple-year procurement of the 16 new-type ships, but to allow this purchase from a foreign yard. That will result in one source of supply, 3,000 miles away, for all 16 of the new type.

Sure, these are comparatively small ships, but, in my judgment, such action would be bad for the security of this country. Certainly it would be a bad precedent all up and down the line—bad for the economy of our country and the health of our shipbuilding industry. If this policy is pursued, if it is approved by Congress, this country will be dependent for these ships and also for future ships upon a single supplier—and a single supplier 3,000 miles away under a foreign government.

Henceforth, Britain will build our ocean minesweepers. We will build up a British yard as a sole source of supply. We will be dependent upon this British yard for our minesweepers. They will have the contracts, they will have the knowhow, and, yes, they will have the experience and expertise. The few remain-

ing American yards and their workers with their special capability in this field will go down the drain. If we approve this course with respect to ocean minesweepers, what will be the next item scheduled by the Secretary of Defense for a single source of supply outside the borders of the United States?

If the Members are not concerned, let me quote from the testimony of Rear Admiral Fahy, commander of Naval Ships Systems Command, before the committee earlier this year, referring to the ocean minesweepers—and let us recognize that he is doing this under a tight rein of the Defense Department of Secretary McNamara, who wants to have these ships bought abroad and have the single source of supply. What does the Admiral say?

The wooden ship-building know-how for ships of this type and size in the U.S. has diminished over the years to the point where it is expected that only two commercial U.S. firms have sufficient existing capability to stimulate a response to bid on the construction of the proposed ships. Failure of either of these firms will eliminate an opportunity to stimulate maintenance and possible improvement of this potential and conceivably could degrade the potential.

He also says:

There is concern that perhaps we may lose that capability.

Let me point out to the gentleman from Florida and refresh his memory about a colloquy he had during the hearings in talking about this item.

In talking with Admiral Fahy, the gentleman from Florida [Mr. SIKES] asked:

Would this make us dependent upon the British for follow-on work?

Admiral FAHY. It would make us dependent in the area of those machinery parts that were of British design that were in the ships.

Mr. SIKES. Would the construction of these vessels in the British yard produce future problems from a maintenance standpoint?

Admiral FAHY. The problems I feel would be principally in the spare parts area.

Mr. SIKES. That could be serious, could it not?

Admiral FAHY. Yes, sir, it could.

I have never seen so many ridiculous arguments being presented by the Defense Department and the administration to support this policy of buying naval vessels abroad.

They argue that we have a commitment. Well, let me say that all we have to do is examine down the line what these commitments and these agreements are. There is no commitment on any single item, and one cannot point to any agreement.

There was no assurance that they were going to get the money in this legislation, that Congress was going to give them the money for seven new ships. How can anyone say there is a firm commitment for all these contracts?

We said to them, "Yes, we will try to make some purchases in order to get you to buy the F-111."

We said, "We will try to find a package of about $350 million over the years of items we might otherwise make at home but which we will try to buy from you. There is another $300 million worth we will hold back on third country markets, so you can purchase."

There is no specific commitment on these specific ships, and they cannot support such an argument at all.

For the information of the House, I include at this point, as part of my remarks, a memorandum on this question of a "commitment" with the British:

MEMORANDUM ON BYRNES AMENDMENT

(Memorandum in relation of Byrnes amendment prohibiting use of funds in FY 1968 Defense Appropriation bill for the construction of any naval vessel in a foreign shipyard to a U.S. "commitment" to Great Britain)

1. The effect of the Byrnes Amendment would be to prevent the Defense Department from allowing British shipyards to compete for (and undoubtedly win) a contract for all 16 of the first, or prototype, vessels of a newly-designed ocean minesweeper (MSO).

It would do so by preventing the procurement abroad of the seven MSO's funded in the FY 1968 bill. *It would not, however, prevent British competition on the 9 MSO's previously funded.*

Insofar as is known, that 7 MSO's are the only naval vessels affected by the Byrnes Amendment.

2. The Defense Department has attempted to create the impression that the adoption of the Byrnes Amendment would renege on a "commitment" of the U.S. to the British government and has so informed important Members of Congress.

Thus, in a statement presumably prepared by DOD and quoted by Mr. Mahon, Chairman of the Appropriations Committee, during debate (p. 15582, June 13, CONGRESSIONAL RECORD), it is claimed the amendment "would place the DOD in a position of being unable to carry out a commitment entered into formally with the United Kingdom and previously discussed with the Congress of the United States."

This statement is untrue.

3. There is no formal U.S. commitment to permit the British to bid upon the MSO contract; there is not even a formal U.S. commitment to permit the British to bid upon any naval vessel, or upon any particular military item.

Appended hereto are copies of a letter of October 14, 1965 to the Secretary of Defense asking specifically the nature of our commitment to the British and the DOD letter in reply which commits the DOD only to (1) searching out possible defense items which might be bought in Britain and (2) "using its best efforts" to procure such items in Britain. No mention is made of any commitment of any nature to allow the British to bid on any item of any kind, including minesweepers.

4. The basis for the agreement between the US and UK has been explained by the DOD as follows: "Our current arrangement with the UK is that the $700 million to $750 million F-111 cost will be offset by (a) a target of $325 million of DOD competitive procurement from UK sources and (b) a target of $400 million for third country sales in connection with which the U.S. will stand aside and let the UK make the sale." (Letter, March 30, 1966, from Deputy Assistant Secretary of Defense, Henry J. Kuss, Jr.)

While $135 million of the $325 million target (not a commitment) of DOD competitive procurement has apparently been planned for naval vessels, this does not represent any kind of agreement, or commitment, unless it has been secretly arrived at without consultation with Congress. Indeed, the Defense Department makes clear that it has not established what part of the offsetting procurement would be met by any one U.S. military Department. The following quotation is from a letter dated April 19, 1967, from Mr. Kuss:

"The $135 million cited by Mr. McNaughton for British competition on U.S. naval requirements represents the total of bidding authorization presently known. No limitation has been established as to what part of the total offsetting procurement will be met by any one U.S. military Department. Nor do we believe an artificial division by military departments is either practical or economical."

5. Adoption of the Byrnes Amendment, requiring U.S. construction of seven of the proposed 16 new MSO's would in no way "place the DOD in the position of being unable to carry out a commitment entered into formally with the United Kingdom." DOD could continue to (1) search out possible defense items which might be bought in Britain and (2) use its best efforts to procure them there. It is to be hoped, however, that in such searching out the Defense Department would not require the small shipbuilding industry to bear such a disproportionate share (135/325) of the entire burden of financing a British procurement of U.S. aircraft. It should be understood that the entire $135 million is concentrated on a few small yards which build small naval vessels in the U.S.

6. If there is, in fact, a secret commitment that the U.S. will either permit the British to bid on all 16 of the new MSO's or on any type or quantity of naval vessel, then the DOD should be asked by what authority it has entered into an agreement precluding action by the Congress in keeping with its constitutional duty "to provide and maintain a Navy." Certainly, it has no formal authority from Congress, nor to the best of knowledge, has it consulted with any Committee of Congress on such an agreement.

GREEN BAY, WIS.,
November 3, 1965.

Mr. HENRY J. KUSS, JR.,
Deputy Assistant Secretary of Defense, Office of the Assistant Secretary of Defense, International Security Affairs, Washington, D.C.

DEAR MR. KUSS: Thank you for your letter of October 21, responding to my request for information on the Arrangement with Great Britain involving F-111 aircraft and naval vessels.

I am puzzled by the quoted paragraph because I see nothing in it which ties the aircraft purchase to the ship procurement, yet you informed the Wisconsin delegation, at the September 15 briefing, that the navy ship procurement was tied directly to the F-111 purchase. You stated, in fact, that while bids on the Navy ships might be advertised to British sources and bids might be received prior to the due date of the F-111 options, or January 1, 1966, that contracts would not be awarded until the options were picked up.

Do we have a definite agreement with the British to open up certain navy ships for British competition? If so, what is the nature of that agreement? Does it relate to any specific kind of navy ships? When was it made? By whom? The answers to these questions, together with any other information you can furnish concerning the nature of our agreement with Great Britain will be most helpful.

Sincerely yours,

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., October 21, 1965.

Hon. JOHN W. BYRNES,
House of Representatives,
Washington, D.C.

DEAR MR. BYRNES: With reference to your letter of 14 October, Paragraph 6. a. of the US-UK F-111 Arrangement is quoted below in response to your request for information

on the provision of the Arrangement relating to possible Department of Defense procurement of naval vessels from Great Britain:

"6. a. In consideration of the provisions of this Arrangement, DOD will search out potential DOD requirements which might be filled by procurement of UK equipment and will use its best efforts to procure defence equipment from the UK, subject to two basic conditions: (1) that the equipment meets DOD military requirements as to performance and timing, and (2) that such equipment costs DOD no more than if it were to be procured from US industry."

I am submitting the above unclassified excerpt from the classified F-111 Arrangement because it is the only portion of the text which relates directly to the subject of your query. Please advise if you still have a need for the entire text; we would be happy to send it to you subject, of course, to its being handled in accordance with security requirements.

Sincerely,

HENRY J. KUSS, Jr.,
Deputy Assistant Secretary.

Mr. Speaker, it is also contended, in error, that we endanger $2 billion in British aircraft contracts with American companies if this amendment is adopted. Let me make the following points on that score:

First. The British bought our aircraft primarily because they wanted to reduce their defense costs to 6 percent of their GNP. They canceled three aircraft development programs and contracted for American planes at a saving of $1.5 billion.

The basic reason for the deal, then, was not the quid pro quo of aircraft for ships. It was the savings realized by the British in eliminating their development costs by purchase of American planes.

Second. We offset the $2 billion by providing credit up to $1.25 billion and by setting targets of $325 million for DOD procurement in Britain and $400 million for third country sales in connection with which the United States will stand aside and let the United Kingdom make the sale.

The British are not liable to upset such a favorable arrangement for any specious reason.

Third. The British would have no legitimate complaint. We have made no specific promise—unless there is a secret agreement—that the United Kingdom will be permitted to bid on any specific item, including minesweepers. Our agreement is for DOD to search out and use its efforts to locate up to $325 million in arms purchases in the United Kingdom.

Fourth. The United States is meeting its commitment to buy $325 million in Great Britain: It has already contracted for $143 million; it has permitted the British to bid upon over $61 million in small ships; the Byrnes amendment would permit the British to bid upon an additional $78 million—nine MSO's at $8.7 million—in ships.

I think I should point out to the Members that it is more than a few shipyards which are concerned with this policy of Secretary McNamara. Let me include at this point a telegram I have received from the AFL-CIO Maritime Trades Department which expresses the deep concern of its 6,000,000 maritime workers in support of this amendment:

WASHINGTON, D.C.,
September 11, 1967.

Hon. JOHN W. BYRNES,
Washington, D.C.:

The AFL-CIO Maritime Trades Department strongly endorses the language and intent of H.R. 10738 to prevent the construction of any U.S. naval vessels in foreign shipyards.

Congress must make it clear to the Defense Department, through this legislation, that it does not intend to have Defense appropriations used for the exportation of American jobs or for any worsening of the balance of payments—two things which would result immediately, if the Pentagon were to be permitted to go forward with its build-abroad scheme.

The MTD's executive board, meeting in New York City on September 8, 1967, made clear the department's total opposition to the foreign building concept. Speaking on behalf of the 6 million trade unionists in the 38 national and international unions affiliated with the MTD, the board said that foreign construction of naval vessels would siphon work and jobs away from U.S. shipyards; would hinder technological progress in American yards; and would endanger national security by exposing classified equipment and material to other nations.

We strongly urge you to vote for retention of the present language of H.R. 10738. Which would make certain that none of the Defense Department funds appropriated for fiscal 1968 could be used for building any naval vessels abroad.

PAUL HALL,
President.
PETER M. MCGAVIN,
Executive Secretary-Treasurer.

Mr. Speaker, I ask that the Congress assume its constitutional responsibility by making sure it can provide a Navy—now and in the future. I even ask that we do Secretary McNamara a favor and save him from what I am convinced would be another horrible mistake, another needless risk involving the security of this country. I ask that the House insist upon its amendment.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, I should like about a half hour to tangle with my friend from Wisconsin, whom I admire greatly, on problems dealing with taxes, but not on problems dealing with defense.

I just want to say one thing on this problem. First, my name is DANIEL JOHN FRANCIS ALOYSIUS FLOOD. Can anyone imagine my being pro-British? My grandfather McCarthy would turn over in his grave.

Second, since 1945 there has been no Member of this House who has had a better record in support of organized labor than the gentleman from Pennsylvania [Mr. FLOOD]—nobody, period.

Labor has nothing to do but gain from this arrangement, and it will lose nothing if the British get this contract.

As to the boilermakers, I have a great boilermakers union in my district. They will lose nothing. The diesel engines, the compressors, the hardware for these ships will be bought in the United States.

As to the great danger to the United States, these are little minesweepers. They are glorified tugboats made out of wood.

In Philadelphia, New York, and California—there is not a big navy yard in the United States which will have anything to do with them.

The piping and tubing for these wooden ships has to be nonmagnetic, nonferrous, bought in the United States.

We have a $3 billion deal with these "Limeys" against $325,000,000 they might get. They lost the last one, and I hope they will lose this one.

This is nothing but an invitation to bid.

The sheetmetal workers will not lose a dime. The boilermakers will not lose a dime.

The economy of America has nothing to do but win.

This is a red herring.

Three little 10- and 20- and 30-ship yards—one in Wisconsin—want to build these wooden crates. That is the argument. Do not kid the troops.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, to follow DAN ALOYSIUS FLOOD is really to be at a disadvantage, but I was tremendously impressed by the logic of the gentleman from Florida and the gentleman from Pennsylvania. Therefore, I rise in opposition to the Byrnes amendment.

I believe that the Byrnes amendment is not in the national interest—not—n-o-t. Our national interest cannot be based on the protection of narrow parochial interests even if they are on the Great Lakes. It must be based on the balance of national and other nations' interests. It must be reciprocal in nature.

We have a deal on here. The British agreed to buy $2.6 billion worth of aircraft and missiles from us. In return we have agreed to let them bid on about $325 million of material here. If they do not win the bid, they do not get the business. They are going through with their part of the contract. It may not be a written contract. It is an agreement between negotiators. It is a moral commitment.

The British are going through with their part of the agreement and have already bought $1.7 billion from us. They will buy another $1 billion from us if we go ahead with our side of it. Do we want to jeopardize this national commitment for the benefit of a couple of little shipbuilding interests on the Great Lakes and one other maybe somewhere else who are building these little wooden minesweepers? We have thousands and thousands of contractors throughout the United States making C-130 aircraft, F-4 aircraft, F-111 aircraft, Chinook helicopters, and Polaris missile equipment. They are all being bought by the British from U.S. suppliers for the safety and security of the free world. I think it is time for us to rise above petty parochial interests and back up the moral commitment of the negotiators on this deal. This is a good financial deal for America and a good security deal for the free world. You cannot take all the business in the world. You have to let the other allied nations have part of the military business if we are to retain the good faith necessary between free world allies.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Speaker, I am completely opposed to foreign shipbuilding, whether Navy ships or merchant ships. During recent weeks my committee has been hearing advocates of foreign building of vessels for our American merchant marine. Curiously enough, one of the reasons that they give for bypassing our American yards is that our yards are chiefly occupied with Navy work. Now we plan to move Navy work abroad. If we build naval vessels abroad and merchant vessels abroad, what do we plan to leave for our own yards? Somehow those who seek to exhibit such generosity to our foreign competitors fail to give their ideas of where we would stand in a war when we could well be in the position of having to supply all of our ship needs from our own resources. Without shipyards fully experienced and geared to the production of the types of vessels we might need, we might find ourselves in desperate straits indeed.

From another viewpoint, we know that our British competitors have been plagued with wildcat strikes and low production, to the extent, that a recent delivery of a passenger ship was over 6 months late. We know that our Japanese competitors have enough orders to keep all their yards busy for the next 2 to 3 years. Where, then, will we build? Possibly Poland or even Russia, both of which have very efficient yards? It would seem that our own obvious self-interest would dictate against such a course.

I cannot express too strongly my belief that the pursuit of this policy of building ships of any type abroad, is extremely detrimental to our national interest, and can well lead to serious trouble in the future.

I strongly urge the House to instruct our conferees to stand firm on the original action, opposing the use of these funds for work in foreign yards.

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

Mr. GARMATZ. I am delighted to yield to the distinguished gentleman from Pennsylvania.

Mr. BARRETT. Mr. Speaker, I rise in support of the retention of amendment No. 18, the so-called Byrnes amendment, which provides that no funds in the Department of Defense appropriation bill for fiscal 1968 shall be used for the construction of any naval vessels in any foreign shipyards.

I cannot, for the life of me, follow the reasoning of the DOD in its position of opposition to this amendment.

We all know the plight of the shipbuilding industry in American shipyards. In the past few weeks there have been a number of newspaper stories regarding the very wise action on the part of the administration to improve the position of our own shipbuilding industry. By requiring that these vessels be built in American yards we support that position and action and we can increase our skilled labor force, with its direct effect on American industrial capacity. People who are now unskilled and untrained can become skilled and trained.

Under the DOD position many shipbuilding jobs in American shipyards would be lost and our balance-of-payments position would suffer.

I urge the retention of this amendment to the bill and the rejection of any action to delete the requirement that U.S. naval vessels be built in American shipyards.

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

Mr. GARMATZ. I am glad to yield to the distinguished gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I wish to associate myself with the remarks which have been made by the distinguished chairman of the Committee on Merchant Marine and Fisheries, the gentleman from Maryland [Mr. GARMATZ]. It is my opinion that the gentleman from Maryland is exactly right.

Here, Mr. Speaker, we have a sick industry. I cannot see any reason to make it more sick by the procurement in a British yard of these ships.

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. DOWNING] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. DOWNING. Mr. Speaker, I certainly hope the House will stand fast on this amendment. I am unalterably opposed to spending even $1 of the tax moneys paid by citizens of the United States in support of their Government for the construction or the repair of any type of American-flag vessel in any foreign yard. When I say any type of American-flag vessel, I refer to those built for our primary Defense Establishment, as well as the complementary line of defense, our merchant marine.

Today we are concerned with U.S. naval vessels and so I will address myself primarily to this portion of the question.

There are, it seems to me, too many people in Washington thinking in terms favorable to the interests of other nations at the expense of our own. I certainly am not opposed to being helpful to our allies but I will do anything and everything that one Member of the Congress can do to oppose helping the industry of any foreign nation at the expense of our own industries.

The domestic shipbuilding industry in this country needs all the help it can get if it is to survive. It is an integral part of our national defense capability and we should do nothing to jeopardize it.

The Merchant Marine Act of 1936 specifically requires that maritime ships be built in the United States. This is our Nation's maritime shipbuilding policy. I believe it would be contrary to our national defense policy to build Navy ships abroad just as it is against the law to build merchant ships abroad.

For the life of me, I cannot conceive why these efforts to build abroad persist.

We worry constantly about balance of payments. Certainly it would not alleviate this problem to build our ships in foreign yards.

We talk about keeping our employment level high. To build abroad would take employment away from our people.

When anyone talks of building or repairing U.S. vessels anywhere other than in shipyards of the United States he talks of taking bread out of the mouths of millions of Americans, and I refer not only to the families or the workers in our own shipbuilding industry.

I am certain that each of you recalls that on May 27 of this year our distinguished President spoke in Newport News at the christening ceremonies for the *John F. Kennedy*, the newest in a line of powerful attack aircraft carriers.

As rightfully proud as we are in Newport News of building this ship, we do not pretend that we do the job alone. The *John F. Kennedy*, as is every vessel which is built or repaired in a U.S. yard, is a product of the entire Nation.

Seventy-five percent of the cost of building a naval vessel is represented by the supplies and materials which go into its construction and outfitting. For example, materials for the *John F. Kennedy* are being supplied from 38 States, from 352 cities, and by more than 850 companies which include many small businessmen as well as some of the Nation's largest corporations.

Mr. Speaker, I most definitely believe that implements of war such as naval ships and maritime vessels which will be used in time of war should be built at home. I urge the House to stay with this amendment.

Mr. MAHON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I rise in support of the Mahon motion. I hope this House will maintain the position which it took during its consideration of the Defense appropriation bill, when it was acted upon here several months ago. The House position can be maintained today by rejecting the Sikes motion and agreeing to the Mahon motion.

The question before the Congress and the House today is whether we in the Congress of the United States are going to give the executive branch of the Government the right to go out and make deals and to make commitments without congressional approval. I hope my colleagues will support me in insisting on bringing the Senate amendment back in disagreement and insisting on a legislative voice in this matter.

We have heard a lot about trade agreements with the British. The only real trade off here is minesweepers for the British purchase of the F–111A fighter. The F–111A is in serious trouble. Whether the British will ever buy a single plane is open to serious question today.

The F–111B is almost down the drain. The F–111A is in most serious difficulty and great delays are now a certainty. Let us go ahead with nine minesweepers for the British now and seven for the United States. This is a good deal for the British because the possible purchase of $788 million worth of F–111A's could very well turn out to be a fantasy. I personally feel that the F–111A may never be supplied to the British.

It seems to me it is in the interest of

national security to see that we have a second source for these minesweepers. This can only be accomplished by rejecting the Sikes motion and then proceeding to agreeing to the original Mahon motion.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I thank the chairman for yielding me this time. I take this time to find out just what the substance of this agreement is.

In St. Louis, McDonnell Aircraft, which makes the Phantom aircraft, has commitments, it is understood, with the British to buy in the billions in this area. I have heard two different stories; one that this is not involved in this situation. I wonder will the gentleman from Wisconsin on this side of the aisle, and the chairman on the other side of the aisle, clarify this situation?

Mr. MAHON. Mr. Speaker, I believe I can clarify the issue. The British have agreed to buy from McDonnell Aircraft, $951 million worth of F–4 aircraft, made in Missouri. Components, of course are made all over the Nation.

Mr. CURTIS. That is involved in this?

Mr. MAHON. That is involved, heavily involved in this, along with other procurement; the Polaris submarine equipment, and so forth. The general range of commitments and orders were agreed to in 1965. I have a letter from the Secretary of Defense, in which he says that these orders, agreed to in 1965, required the approval of the Prime Minister and the British Cabinet, and resulted in the cancellation of several major British aircraft programs.

The British had been going ahead with certain programs, but they said "We will buy these from you and cancel out our aircraft." We certainly cannot welch on them at this stage since they have canceled their own domestic programs.

The gentleman just made it very clear, I believe that the F–4's made at McDonnell Aircraft represent $951 million, and the $60 million involved in these ships is more or less "chicken feed" by comparison.

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

Mr. CURTIS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to just state, very categorically, that as far as the F–4 is concerned, the British canceled their particular aircraft procurement program and took the F–4's because it was a better aircraft.

That aircraft program is firm. It was made prior to the discussion even taking place on these 16 minesweepers. And if anyone believes the British are going to cancel out that F–4 program, then they are raising a red herring in this dispute.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, I rise in support of the position of the gentleman from Texas [Mr. MAHON] and the gentleman from Florida [Mr. SIKES].

Mr. Speaker, I voted for the so-called buy America legislation. But surely in this case it is in the best interest of our country to support the position of the gentleman from Texas [Mr. MAHON], and I hope the House will support that position.

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

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, I rise in opposition to the amendment of the gentleman from Wisconsin [Mr. BYRNES]. I think the amendment is special legislation that concerns three small shipyards in this country.

This amendment would seriously interfere with an agreement we have made with the British which is extremely advantageous to the United States. They have agreed to buy from us over $2,600,000,000 of military equipment and in exchange we have promised to purchase only $325 million of equipment from British industry on a competitive basis.

As part of its commitment, the United States has agreed to place 16 minesweepers into competition between United States and United Kingdom industries. Seven of them are involved in this bill and I want to emphasize that the British must bid competitively on them. This amendment would not only prevent our carrying a formal commitment, but it would jeopardize very substantial benefits to American labor and industry.

The British are already carrying out their purchase agreement. I hope that everybody in this House will analyze exactly what the British are doing for the workers of this country by this agreement. Their purchases involve over 4,000 subcontractors and supplies for $310,000,000 of C–130 aircraft; over 2,000 on the purchase of $788,000,000 of F–111 aircraft, and over 4,500 on the $951,000,000 of F–4 aircraft. Many additional suppliers will benefit from purchases of $39,800,000 of Chinook helicopters, and $557,000,000 of *Polaris* equipment.

This $2,600,000,000 of purchases by the United Kingdom in the United States will cover a 12-year span of deliveries and payments. Commercial and Export-Import Bank credits involved in the British procurements will be hard loans earning high rates of interest, making a substantial additional benefit to us.

The Chinook helicopter is built in my own State, in Morton, Pa. Practically every State in the Union will have some project in this defense contract.

Let me remind the House again that this amendment is special legislation that seems to benefit only three small shipyards in this country. Before you vote on this, I urge you to analyze the facts. A vote against the amendment will be a vote for your own district as well as our overall industry and business.

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

Mr. MORGAN. I yield to the gentleman.

Mr. WHITTEN. I would like to point out something that has not been said in debate, or at least I have not heard it. The Secretary of Defense made a flat agreement with the British that they be given consideration. If this amendment stays in here, where the Navy had determined that this is the proper place and would do no material injury—if this is prohibited it leaves the Secretary obligated to do the same type of thing someplace where it might hurt. The language of the Secretary's letter is quite clear in that regard. So if you prohibit these purchases, you open the thing up to where you do not know where you have to carry it under the agreement.

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

Mr. MORGAN. I yield to the gentleman.

Mr. CELLER. Does not the chairman of the Committee on Foreign Affairs believe that the floor of the House of Representatives is no place to write foreign policy and that the amendment of the gentleman from Wisconsin [Mr. BYRNES] does write foreign policy?

Mr. MORGAN. The gentleman is absolutely correct. This is no place to write foreign policy, which is something that belongs to the Committee on Foreign Affairs.

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Mr. Speaker, it seems to me that the pending issue is very simple. I have said—and I now say—that I will not vote to spend 15 cents of the American taxpayer's money to build an American ship in a foreign shipyard, particularly at a time when our shipbuilding industry is so sick.

I would be derelict in my duties, representing as I do the entire Brooklyn waterfront, if I were to vote to recede and concur in the Senate action which would permit the building of these ships in a foreign shipyard. These ships could well and easily have been built in the Brooklyn Navy Yard if it had not been closed by Secretary McNamara. At the moment, they could be built at the Todd Shipyard in Erie Basin, which is in my district.

To indicate the interest in this subject I am including herewith the following communications received on this matter:

MARITIME TRADES DEPARTMENT, AFL–CIO,
Washington, D.C., August 24, 1967.

Hon. JOHN J. ROONEY,
House Appropriations Committee,
Washington D.C.:

H.R. 10738 covering Department of Defense appropriations, 1968, includes an amendment by Congressman John W. Byrnes, of Wisconsin, which provides "that none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards." Understand this provision to be voted on again this afternoon. The Maritime Trades Department, AFL–CIO, representing six million members would appreciate your support for keeping provision in.

PAUL HALL,
President.
PETER M. MCGAVIN,
Executive Secretary-Treasurer.

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS.
Washington, D.C., August 24, 1967.

Hon. JOHN J. ROONEY,
House of Representatives,
Washington D.C.

DEAR SIR: H.R. 10738 covering Department of Defense appropriations, 1968, includes an amendment by Congressman John W. Byrnes,

of Wisconsin, which provides "that none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards." Understand this provision to be voted on again this afternoon. Would appreciate your support for keeping provision in.

Respectfully,

RUSSELL K. BERG,
International President.

TODD SHIPYARDS CORP.,
New York, N.Y., August 24, 1967.

Hon. JOHN J. ROONEY,
Rayburn Office Building,
Washington, D.C.:

House-Senate conferees on D.O.D. appropriations bill, H.R. 10738, yesterday failed to agree as to the Byrnes amendment prohibiting use of funds for construction of naval vessels in foreign shipyards. Amendment will be on House floor this afternoon, Thursday. We are very much in support of the Byrnes amendment and ask your help to urge retention of it.

Respectfully,

J. T. GILBRIDE, *President.*

BOILERMAKERS LOCAL LODGE 67,
Brooklyn, N.Y., September 11, 1967.

Hon. JOHN J. ROONEY,
House of Representatives,
Washington, D.C.:

The officers and membership of Boilermakers Local Lodge 67, Brooklyn, urge you to keep the amendment in H.R. 10738.

Sincerely yours,

WILLIAM STEVENS,
Secretary-Treasurer.

WASHINGTON, D.C.,
September 11, 1967.

Hon. JOHN J. ROONEY,
Washington, D.C.:

The AFL–CIO Maritime Trades Department strongly endorses the language and intent of H.R. 10738 to prevent the construction of any U.S. naval vessels in foreign shipyards.

Congress must make it clear to the Defense Department, through this legislation, that it does not intend to have Defense appropriations used for the exportation of American jobs or for any worsening of the balance of payments—two things which would result immediately, if the Pentagon were to be permitted to go forward with its build-abroad scheme.

The MTD's executive board, meeting in New York City on September 8, 1967, made clear the department's total opposition to the foreign building concept. Speaking on behalf of the 6 million trade unionists in the 38 national and international unions affiliated with the MTD, the board said that foreign construction of naval vessels would siphon work and jobs away from U.S. shipyards; would hinder technological progress in American yards; and would endanger national security by exposing classified equipment and material to other nations.

We strongly urge you to vote for retention of the present language of H.R. 10738, which would make certain that none of the Defense Department funds appropriated for fiscal 1968 could be used for building any naval vessels abroad.

PAUL HALL,
President.
PETER M. MCGAVIN,
Executive Secretary-Treasurer.

Mr. Speaker, I trust that the pending motion of the distinguished gentleman from Florida will be voted down.

Mr. MAHON. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, first let us take a look at this amendment.

The amendment does not say anything about a few minesweepers.

The amendment says:

Provided further, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

Suppose Mr. McNamara decides tomorrow that he is going to build some naval vessels in foreign yards? What is going to happen in Mississippi and in the gulf shipyards down in New Orleans and other yards throughout the country? What is going to happen in these other shipyards?

This amendment does not mention minesweepers—this is a question of naval vessels being built abroad.

This House of Representatives went along with me when I offered an amendment that none of the Coast Guard ships should be built in foreign yards. The House adopted that amendment and there was no question about it.

The biggest industry in Mississippi is shipbuilding, and the largest payroll in that State comes from a shipyard. All you have to do is to start to build some of these vessels abroad and that one great industry, which supports to such a great extent the economy of that State, will be lost.

What happened to your naval shipyards in the past few years? Mr. McNamara destroyed them. This is not a question, my friends, of minesweepers. What have we actually done here? Let us look at page 37 of the bill. Talk about this being an amendment to protect someone, listen to what another part of the bill provides:

SEC. 623. No part of any appropriation contained in this Act shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, [33] *synthetic fabric or coated synthetic fabric,* or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles) not grown, reprocessed, reused, or produced in the United States.

So I say to you that we have done this, and what we are trying to do now is to protect, as has been said, a sick but a growing and a necessary industry.

I wonder whether perhaps these ships in Great Britain might be built in the same yards that are now building ships which are carrying munitions and the sinews of war into Haiphong under the British flag. Is that the kind of shipyards we are going to support? Or are we going to support American yards?

If the day comes when we have to build fast again, as we were required to do in other emergencies, believe me, my friends, we will need these yards, and if we do not protect them by this kind of language, we shall have failed in our duty. Do not forget that under section 8 of article I of the Constitution the Congress has the authority and the duty to provide and maintain a Navy.

Now, you say that our Government has made a commitment. Who is the Government? Is the Government Mr. McNamara, sitting over in the Pentagon, or is the Government the Executive and the Congress? Was not the Congress entitled to have an opportunity to pass upon the question of whether or not we would destroy American shipyards, and, again, to build up the yards of a so-called ally who is shipping to our enemies?

Mr. Speaker, I hope the Byrnes amendment will be sustained.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. SLACK].

Mr. SLACK. Mr. Speaker, the question involved here is whether or not we are going to break an existing contract. Our commitment represents an issue about which there has been no secrecy because it has been widely publicized and thoroughly debated on previous occasions. In a bill which totals over $70 billion, it amounts to less than one two-hundredths of the total.

The item of concern to us is in fact a contractual commitment that has already been made and it is not simply a contract to buy defense equipment from foreign purveyors with American dollars. It is an exchange of defense capabilities to the mutual advantage of the United States and the Government of the United Kingdom. We are dealing here, not with a new procurement, but with an ongoing program. The agreement represented by this item in the bill is already underway to this extent:

The United States has committed itself to purchase $325 million of equipment from the United Kingdom industries on a competitive basis, and of this sum approximately $143 million has been awarded to date.

The reciprocal part of the arrangement called for the Government of the United Kingdom to purchase $2.5 billion in equipment from U.S. industries over a 12-year period. To date, $1,980,000,000 has been committed. In other words, orders have been placed, contracts are underway and in some instances deliveries have been made to the United Kingdom. This covers fleet ballistic missiles, CH–47 helicopters, C–130 aircraft, F–4 aircraft, and F–111A aircraft.

This arrangement affords work for some 11,000 American contractors distributed over many of the 50 States. With regard to the controversy over the seven wooden hull minesweepers, it is my understanding that while the United Kingdom will do 70 percent of the work of the construction, the balance of 30 percent will then be done in the United States where the vessels will be outfitted and completed.

The Department of Defense, before agreeing to this arrangement in the beginning, explored the possibility of placing this work in such a manner as to encourage the American shipbuilders with this capability who might be required later on a standby production basis in time of emergency. They reviewed what had happened at the beginning of World War II and again in the beginning of the Korean conflict when there arose emergency requirements for wooden shipbuilding capability.

They found that it was relatively easy and inexpensive to obtain ships of this type from shipyards which were already in operation and producing another type of ship. The Department has established the fact that standardization techniques make it feasible to obtain vessels of this kind at acceptable costs from operating

shipyards on relatively short notice in an emergency even though such shipyards located in the United States might not be actually in production with this type of vessel when the emergency arises. This is not, in point of fact, the type of defense production which involves the need for heavy standby investment and maintenance of special skills.

The mission of the Department of Defense is worldwide as we all know, and it is the very broad extent of that mission which constitutes the main reason why the bill totals over $70 billion. The Defense mission, and the costs of that mission, are predicated to a considerable extent upon the military and industrial posture of certain allies. It is to our advantage, therefore, to coordinate the defense production capability of our allies with our own needs whenever costs are acceptable. The funds contained in this bill are designed to defend, among other things, the Atlantic Ocean and the Atlantic community of nations and this includes the United Kingdom where these ships are to be built.

In summary, we are not dealing here with a proposed procurement but rather with a contractual arrangement. A contract, whether between individuals or nations, is a two-way street. To fail to continue the existing arrangement amounts to nothing more than the arbitrary cancellation of a contract between two friendly associates. This is indefensible in business practice and would be a reflection on our national integrity.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

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

Mr. GERALD R. FORD. Mr. Speaker, has the Congress ever approved the alleged contract or agreement with Great Britain?

Mr. SLACK. Not to my knowledge, but our Government has, and the contract is in being.

Mr. GERALD R. FORD. But it is our responsibility in the Congress as a coequal branch of the Government to be considered, to be fully advised before there is any agreement one way or another. In this case we were never consulted and therefore are not bound. After all the Congress could have refused to appropriate the funds.

Mr. SLACK. It is not the responsibility of Congress to ratify contractual agreements.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, two things need to be considered. First, we have to keep some friends in the world. To keep friends, we have to keep our agreements with our friends. If we have an understanding and dependable friend in the world, surely it is Great Britain. On balance she has been, over the years, the very best friend we have.

To repudiate that friendship, betray that trust, and abrogate this good-faith agreement with our British friends merely for the sake of one domestic special interest group would be both shameful and foolish.

The second thing is that the set of agreements involved in this motion works to the great advantage of American industry, the American economy, and American labor. In dollar volume, the balance is 8 to 1 in favor of America.

In these five major military procurement items which the British are purchasing from us, there are directly involved more than 12,000 subcontractors, big and little, some of them located in every State in the Union, with several hundred thousand American laborers employed.

Several speakers on the Republican side have indicated, erroneously, that the principal purpose of this agreement is to sell F–111 aircraft to Great Britain. Additionally, they have made unwarranted and unsupportable critical statements about that aircraft, as they have done before in the House chamber. It seems to be their basic strategy to undermine confidence in this great new weapons system and thus to reflect discredit on the Secretary of the Defense and the President of the United States. The exaggerations they have indulged make it necessary that the record again be set straight in this regard.

In the first place, the F–111 is on balance a magnificent success. The Air Force likes it and wants more of them. The Navy wants more of them than this bill is allowing. The British like the F–111. They have flown it. They are enthusiastic about it. They want to buy it and to pay hard dollars for it. This is not at all surprising, since it is undoubtedly the most versatile weapons system ever developed by American industry.

But by no stretch of the imagination could it be said that the F–111 is the only item of military procurement, or even the principal item involved in this package agreement with our British friends. They also are buying F–4 aircraft, and in an even greater dollar volume.

Nine hundred and fifty-one million dollars is involved in the British purchase of F–4 aircraft manufactured in the St. Louis area. Also involved are C–130 aircraft, Chinook helicopters, and Polaris submarine equipment. The grand total of the British purchase is—as has been said—$2,645,800,000. Of this amount, the F–111 purchase is considerably less than one-third of the total.

In return, we have agreed only to purchase from our British friends $325 million worth of equipment on a competitive bid basis. In other words, they must successfully underbid American manufacturers in order to get even this much.

Surely, in the interest of our longstanding friendship with Great Britain, in the interest of the American taxpayer, of the balance-of-payments position, in the interest of the American economy itself, and—primarily—in the interest of keeping our word with our friends, we should oppose the Byrnes amendment and support the motion by the gentleman from Florida [Mr. SIKES].

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

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

Mr. EDMONDSON. Mr. Speaker, I commend the gentleman for what he said about the importance of keeping our agreements.

It seems to me there has been a great deal of talk on the other side of the aisle about a credibility gap, and yet our friends on the the other side of the aisle have done more to create a credibility gap, as far as our Government is concerned, by trying to break the agreements of our Government with foreign countries and foreign governments in case after case. I think we ought to keep our word and back up the agreements of our Government.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MCFALL].

Mr. MCFALL. Mr. Speaker, there are two issues here. One is our consideration for our British allies, and that has been discussed.

One point, however, has not been emphasized. Mr. Wilson's government has signed this contract with our Government, whereby he buy $2.6 billion worth of war equipment, when his government is faced with one of the largest unemployment situations this winter that has ever faced the British Government. In all equity, we should keep our agreement and assist him with this opportunity for shipyard employment.

Second, in the interests of the American taxpayer, the Byrnes amendment has been referred to as special legislation. Let us look and see how special it is. National security is not involved, because these yards are now building these ships. They won the contract in bidding against the British. What will happen if the Byrnes amendment is passed is it will eliminate the competition, and it will raise the price of these ships to the American taxpayer.

Mr. ASHLEY. Mr. Speaker, I rise in support of the preferential motion and against the Byrnes amendment.

This issue is not entirely new to some of us. Last July the matter came to my attention when the construction of two ocean survey vessels was awarded to a low-bidding British shipyard. I received protests from representatives of American shipbuilding labor and management, particularly from the district I represent. This was to be expected because the American Ship Building Co., with yards in Toledo, Ohio, was the low domestic bidder, although higher than the successful British concern.

I pointed out at that time, Mr. Speaker, that the decision to open competition for certain ship construction to yards in Great Britain originated in negotiations conducted in 1965 when the British Government agreed to purchase U.S. F–111, F–4 and C–130 aircraft, as well as certain missiles and other military hardware whose value totaled more than $2.5 billion. These orders required the approval of the Prime Minister and British Cabinet and because they resulted in the cancellation of three major British aircraft programs, the British requested that we agree to the procurement of certain defense items from British suppliers when such suppliers were fully competitive in terms of quality and costs with U.S. manufacturers. The Department of Defense agreed to this and a target of $325 million—as against more than $2.5 billion in British purchases—was established for such DOD procure-

ment for the 10-year period. It was clear then and it is clear now that far more American business concerns would be hurt by the failure of Great Britain to procure military aircraft and other hardware from the United States than would be adversely affected by permitting England to compete for a minutely small quantity of U.S. naval ship construction.

Cast in a somewhat broader context, the U.S. foreign military sales program accumulated orders totaling $6.1 billion during fiscal years 1962–65 and commitments for future deliveries in an amount of an additional $3.7 billion. These orders and commitments, which benefit more than 40,000 U.S. suppliers in every State of the Union, were possible only because of U.S. willingness to purchase a considerably lesser dollar volume of foreign items, subject to the provision of competitive cost, quality, and delivery terms. Without such willingness on our part, it would be impossible for the United States to continue to enjoy a favorable trade balance amounting to nearly $6 billion a year and our balance-of-payments situation would soon become catastrophic.

The gentleman from Florida [Mr. SIKES], and the distinguished chairman of the Appropriations Committee [Mr. MAHON] have stated the case for those of us who are concerned with the broader national interests that are involved. Spokesmen for the other side have largely been articulate only for the parochial interests of their district. They would have our Government welch on an agreement properly negotiated with the British 2 years ago, an agreement which manifestly inures to the benefit of American labor and business. They suggest that such agreement has no moral or legal sanctity because it was not reviewed or approved by the Congress. This is patent nonsense. Obviously the executive branch—and especially the Department of Defense—has the responsibility and right to enter into negotiations and agreements within the context of existing statutes. This they have done.

Opponents point out that the American shipbuilding industry is sick and will get sicker if construction abroad is permitted. The fact is that the American ship construction industry is largely supported by Government orders either for military vessels or vessels constructed under the maritime program. To completely outlaw any foreign vessel construction will under no circumstances make our domestic shipbuilding effort more efficient and competitive; on the contrary such a policy—while convenient and pleasing to certain shipbuilding districts—will only perpetuate the inability to compete which is fostered by lack of competition.

The gentleman from Pennsylvania [Mr. FLOOD] has stated that he has as good a labor record as any man in Congress but that he finds no issue here which adversely affects organized labor. I am proud of my record in behalf of the workingman, too, Mr. Speaker, and I agree wholeheartedly with him. In fact I would go further. If we want to risk very real injury to the livelihood of many hundreds and thousands of working men and women, all we need do is to discourage foreign governments and markets abroad from trade with the United States. This is the labor issue, if there is one, and we had better be clear about it.

If we cannot legislate in the national interest, Mr. Speaker, we had better adjourn. I say this because if parochial views are to prevail today, the consequences may well be felt for many years to come.

Mr. DANIELS. Mr. Speaker, I rise in support of the pending amendment to the Defense Department appropriation bill which would prevent the exporting of American jobs in the shipbuilding industry.

Mr. Speaker, I have the honor to represent one of the great shipbuilding areas of the United States and our skilled workers and our shipbuilding firms are the equal of any in the Nation. Yet, for years we have seen the great industry, a cornerstone of the Nation's economy since colonial days, in decline because of shortsighted policies by our Government. The policy advocated by the Department of Defense is not one which merely harms a vital segment of the economy of the 14th District of New Jersey. This policy is one which is robbing this Nation of the expertise and facilities to provide for our shipping needs in time of crisis. No Member of this House needs to be reminded of the ability of the shipyards in the New Jersey-New York City port area to produce under pressure. What we did during the two great World Wars is a proud page in American industrial history. Are we to allow these skills to disappear? I strongly urge all Members to retain the provision in this bill, which prohibits the use of Defense Department funds to build Navy ships in foreign yards. America's safety depends upon our wisdom today.

The SPEAKER. The gentleman from Texas has 8 minutes remaining.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, it seems to me we are dealing here with a very important principle. In the first place, there has been some talk about the constitutional responsibility of the Congress and the executive department that does not square with the Constitution. It is the duty of the Congress to raise and maintain armies and navies, but it is not the duty of the Congress to enter into agreement with foreign powers. What we have here is an agreement which gives to the United States about an 8-to-1 advantage—$2.5 billion versus approximately $325 million.

It is true, perhaps, that striking out this particular item would not of itself abrogate that agreement, as the gentleman from Wisconsin has indicated. But I do not think there is any question, I will say to the very able gentleman from Wisconsin, but that it would be construed around the world as a breach of the agreement. I think this very discourse here today would indicate this is true. The fact that we are debating this issue, that the Secretary of Defense has made this offer to let the British bid on these particular items, it seems to me, would be read around the world to indicate that the United States was welching upon its agreement.

We have an agreement, and the agreement should be carried out. This is one step in the process of carrying it out.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I have only 3 minutes, but I yield to the distinguished gentleman briefly.

Mr. GERALD R. FORD. I should like to make this comment: Much has been made of the fact that we in the Congress would, by supporting the Byrnes of Wisconsin amendment, break an agreement with Great Britain. Let me point out that 3 or 4 years ago the Secretary of Defense himself—with the acquiescence of the President—broke an agreement with the British, when the executive branch of our Government canceled the Skybolt weapons system.

Mr. ALBERT. May I say to the gentleman, this is the first time I have heard him try to use the actions of the Secretary of Defense as a precedent for what the Congress should do.

Mr. GERALD R. FORD. I question I will be using them much in the future, based on the past record.

Mr. ALBERT. Mr. Speaker, the British have abandoned three major aircraft development programs at home and will buy U.S. aircraft in their place. This was an extraordinarily courageous decision to make—particularly since the British aircraft industry was already in dire straits. It was, therefore, natural that the British Government should have insisted that it could not carry out such decisions in the face of enormous opposition unless the United States agreed to some reciprocal action.

The limited character of this U.S. agreement must be well understood:

First. The DOD did not agree to guarantee or allocate procurement from British sources.

On the contrary, the DOD agreed only that British sources could compete with U.S. sources for purchases up to the amount of the ceiling—some $325 million compared to the $2.5 billion buy in the United States. If British sources do not compete successfully in terms of price, quality, delivery, and supportability, they will not get the order.

Second. The DOD did not agree that the British Government could select what it wanted to sell to us.

On the contrary, the DOD will select the items concerning which it will invite both British and U.S. bids.

Now, U.S. producers, familiar with the rigorous Armed Services Procurement Regulations, equipped with modern management methods and benefited by production runs three to seven times as long as those of the British, have an enormous competitive advantage. Even with labor rates lower than those of the United States, the British lost an early invitation to bid on two tug boats because they estimated 2½ as many manhours as the winning U.S. yard. The British sharpened their pencils subsequently and won an order for two survey vessels—only to lose later in another competition for the same vessel.

Under this arrangement, with its significant benefits to the United States it is, of course, incumbent upon the Department of Defense to select items

which the British can conceivably win in competition with U.S. industry—if we are to carry out the arrangement in good faith.

In addition to various aerospace items, the Navy has also selected the 16 minesweepers, seven of which are in the fiscal year 1968 Defense appropriation bill now before us. The Navy made this selection:

First. Because Great Britain has a good shipbuilding industry which was willing, and considered able, to bid for the order;

Second. Because the ships in question are wooden ships the hulls of which do not advance the state of the art—and production of which in the United States is not essential to the U.S. mobilization base; and,

Third. Because it is possible that a single production run of 16 ships will lead to significant budgetary savings to the United States.

For these reasons, we have promised that the British may bid on minesweepers.

We now have heard vigorous objections from Members from districts that may lose an order for a ship because of British competition. I am, indeed, sympathetic with their complaint. But let us also be sympathetic with the Nation's broader military, political, and economic interests. Let us also note that the more than $2 billion in British aircraft and submarine system orders will benefit the more than 4,000 subcontractors and suppliers in virtually every State in the Union. Finally, let us note that if the Congress forces the United States to abrogate its promise to the British Government the British political ability to maintain their aircraft orders here may well be imperiled.

Accordingly, since an extraordinarily favorable arrangement has been negotiated with the British Government, since this arrangement establishes a 7-to-1 orders balance-of-payments advantage for the United States, since the Navy Department has selected the minesweeper for British competition under that arrangement, having considered technical and mobilization requirements, since the British must still win a fair competition with U.S. yards for the order, since costs will be reduced for a single 16-ship buy, and above all, since we cannot treat lightly the fair expectations of and promises to a valued ally, I submit that we should agree with the other body and avoid any shortsighted limitation on shipbuilding in the bill before us. I, therefore, urge the adoption of the motion of the gentleman from Florida [Mr. SIKES].

Mr. MAHON. Mr. Speaker, the country is confronted with many major problems and responsibilities. The United States cannot afford to stand alone in the free world as the only significant military power.

The military power of the United Kingdom has been greatly diminished since World War II, but this does not diminish our need for as many allies as we are able to secure.

We have embarked on various programs of foreign aid in order to help free countries stand on their own feet and be strong. It is important to us that the United Kingdom be strong militarily—as strong as possible.

The United Kingdom has agreed to buy $2.6 billion worth of defense equipment from us to make that country stronger and therefore more able to help bear the huge burden of maintaining the peace and security of the free peoples of the world.

Why should we, then, as Members of Congress do something to undermine the efforts of the British to build themselves up militarily?

I say to the Members, it would be a most serious mistake to embarrass the British Government, to cause problems for the present Cabinet, and to make it impossible for this one-sided commitment, weighted 8 to 1 in our favor, to be fulfilled. We should not cause this commitment to be discontinued or abandoned.

I for one, as an American citizen and as an official who faces the taxpayers, want to see that someone else is strong militarily. I want to help the British to aid themselves militarily, because it helps my country and my taxpayers.

Not only that, but this arrangement helps big business. It helps contractors in practically every State of the Union.

The minority party is the traditional party of big business, and yet, just for the purpose of protecting a small shipyard in Wisconsin, and perhaps two more, some are undertaking to wreck this program. Such action might cost American business tremendously, if the British are not able to go forward with this agreement.

Not only that, but the agreement benefits American labor. American labor will produce $2.6 billion worth of equipment if this trade agreement is completed. We must protect this agreement, not undermine it.

The British have already bought $1.7 billion from us under the agreement. What is wrong with that? Here is the C–130 aircraft. They are buying $310 million worth of C–130 aircraft from us, and they have already bought some. There is the F–4 aircraft of which the gentleman from Missouri spoke. There is the F–111, not the F–111B, the controversial one—the British are not proposing to buy that—but other versions of the F–111, which are making good progress and which may well be among the great planes of tomorrow. Not only that but the Chinook helicopter made, as someone said, in Pennsylvania is involved. There is also $550 million worth of equipment for Polaris submarines. If we are interested in the defense, the security, and the economic well-being of the United States, why should we throw a monkey wrench into a trade agreement that helps our friend to become stronger and also helps the American taxpayer bear the load? I have a letter here from the Secretary of Defense. I requested this letter because I was interested in having additional details of this arrangement. In this letter he says:

> The Secretary of State, the Secretary of Treasury, and the Secretary of Defense are convinced that this prohibition is not in the national interest.

Now, I do not always agree with these officials, but with respect to this matter I agree with them fully that the national interest will be jeopardized by the approval of the Byrnes amendment.

Then the Secretary continues:

> Sales negotiated with the British Government in 1965 will result in British payments to U.S. industry in excess of $2.5 billion over the period FY 1966–1977. These orders required the approval of the Prime Minister and the British Cabinet and resulted in the cancellation of several major British aircraft programs.

I will insert the letter from the Secretary of Defense at this point in the RECORD.

THE SECRETARY OF DEFENSE,
Washington, September 12, 1967.

Hon. GEORGE H. MAHON,
Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing with regard to the Ship Purchase Amendment to the FY 1968 Defense Appropriations Bill. The Amendment provides that no funds in the bill can be used for the construction of any naval vessel in foreign shipyards. The Secretary of State, the Secretary of Treasury, and the Secretary of Defense are convinced that this prohibition is not in the national interest.

Sales negotiated with the British Government in 1965 will result in British payments to U.S. industry in excess of $2.5 billion over the period FY 1966–1977. These orders required the approval of the Prime Minister and the British Cabinet and resulted in the cancellation of several major British aircraft programs. The British purchases are being carried out. They involve over 4,000 U.S. subcontractors and suppliers for the C–130 aircraft, over 2,200 for the F–111 aircraft and over 4,500 for the F–4 aircraft. Numerous additional suppliers are involved in the orders for POLARIS equipment and Chinook helicopters. Practically every state of the Union will participate in the whole package.

During these 1965 negotiations, the British asked us to agree to buy a small amount of defense products from their industries. I stated that we could give no such assurances. They then requested that we agree in principle to consider the procurement of certain defense items from British suppliers when such suppliers were fully competitive in terms of cost and quality with U.S. manufacturers. This we agreed to do.

Under this agreement U.S. defense purchases from British industry are limited to $325 million over the 12-year period. I want to reemphasize that we will be receiving from Britain $2.5 billion over that same period. As of the moment the British have placed $1.7 billion of their orders and have won orders from the U.S. of $143 million.

Awards to British industry are made only on the basis of competitive bidding open to both United States and British firms and only when the British bid is lower than any U.S. bid. In the case of shipbuilding the British lost the first competition for 4 ships. They then won competitions for two small shipbuilding contracts; and within the last few weeks, lost another competition for two survey vessels. To comply with the 1965 commitment, the U.S. has agreed to allow United States and U.K. shipbuilders to bid on 7 minesweepers covered by the FY 68 appropriations. If the Amendment is defeated, the British will have an *opportunity to bid competitively* on the minesweepers. Only three or four shipyards in the United States are interested in this small procurement involving about $45 million. To favor them with special legislations—such as the Amendment does—would prevent the United States from carrying out a formal commitment made in good faith, and jeopardize the benefits to the U.S. economy from the British purchases.

It has been alleged by some that to allow the British to bid on the seven minesweepers would deny the United States an essential

defense capability. This contention is not valid. The seven ocean-going minesweepers have been selected as appropriate for this United States-United Kingdom competition by the U.S. Navy. The ship construction itself employs established techniques. The advanced features lie in the equipment and systems incorporated in the ship, not in the construction techniques. These advanced systems will be furnished by the U.S. Government and will represent about 30% of the value of the ships.

In summary:

The contention that the mobilization base would be adversely affected by British competition is without foundation;

The Amendment discriminates in favor of a tiny segment of U.S. industry at the potential expense of thousands of companies and tens of thousands of employees throughout the economy.

In consideration of the above factors, I strongly urge that you make every effort to have the Amendment stricken from the Bill.

Sincerely,

ROBERT S. MCNAMARA.

Do we dare jeopardize such an agreement when it gives us an 8-to-1 advantage? I say emphatically no, Mr. Speaker. I hope that the motion by Mr. SIKES to recede and concur in the Senate amendment will be adopted.

The SPEAKER. All time has expired.

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that the preferential motion of the gentleman from Florida be reread before the vote is taken.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk reread the preferential motion.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Florida.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 145, nays 232, answered "present" 1, not voting 54, as follows:

[Roll No. 245]

YEAS—145

Adams	Edmondson	Joelson
Albert	Edwards, La.	Johnson, Calif.
Andrews, Ala.	Evans, Colo.	Jones, Ala.
Andrews, N. Dak.	Everett	Jones, Mo.
Annunzio	Fascell	Karsten
Ashley	Flood	Karth
Bingham	Flynt	Kazen
Blanton	Foley	Kee
Blatnik	Ford, William D.	King, Calif.
Boggs	Fraser	Kirwan
Boland	Frelinghuysen	Kluczynski
Bolling	Fulton, Tenn.	Kupferman
Brinkley	Fuqua	Landrum
Brooks	Giaimo	Leggett
Brown, Calif.	Gibbons	Long, Md.
Burleson	Gonzalez	McFall
Burton, Calif.	Gray	Madden
Button	Haley	Mahon
Cabell	Hamilton	Matsunaga
Casey	Hanna	Mayne
Celler	Hawkins	Mize
Conte	Hechler, W. Va.	Monagan
Corman	Helstoski	Moorhead
Culver	Herlong	Morgan
Curtis	Holifield	Morris, N. Mex.
Davis, Ga.	Holland	Morse, Mass.
Dawson	Horton	Moss
de la Garza	Hull	Murphy, Ill.
Dingell	Hungate	Natcher
Dow	Ichord	Nedzi
Dulski	Irwin	O'Hara, Ill.
Eckhardt	Jacobs	Olsen
		Ottinger
Passman	Reuss	Stephens
Patman	Rhodes, Pa.	Stratton
Patten	Roberts	Stubblefield
Pepper	Rogers, Colo.	Stuckey
Perkins	Ronan	Teague, Tex.
Pickle	Rosenthal	Tunney
Pike	Rostenkowski	Udall
Poage	Roush	Van Deerlin
Pool	Ryan	Vanik
Price, Ill.	Scheuer	Walker
Pryor	Shriver	Whalen
Pucinski	Sikes	White
Purcell	Sisk	Whitten
Randall	Slack	Wright
Reid, N.Y.	Smith, Iowa	Yates
Resnick	Steed	Young

NAYS—232

Abbitt	Gardner	Nix
Abernethy	Garmatz	O'Neal, Ga.
Addabbo	Gathings	O'Neill, Mass.
Anderson, Ill.	Gettys	Pelly
Arends	Gilbert	Pettis
Ashmore	Goodell	Philbin
Ayres	Goodling	Poff
Barrett	Green, Pa.	Pollock
Bates	Griffiths	Price, Tex.
Battin	Gross	Quie
Belcher	Grover	Quillen
Bennett	Gubser	Railsback
Berry	Gude	Rarick
Betts	Gurney	Reid, Ill.
Bevill	Hall	Reifel
Biester	Halleck	Reinecke
Bolton	Halpern	Rhodes, Ariz.
Bow	Hammer-schmidt	Riegle
Brasco	Hanley	Robison
Bray	Hardy	Rodino
Brock	Harrison	Rogers, Fla.
Broomfield	Harsha	Rooney, N.Y.
Brotzman	Harvey	Rooney, Pa.
Brown, Mich.	Hathaway	Roth
Brown, Ohio	Henderson	Roudebush
Broyhill, N.C.	Hosmer	Roybal
Broyhill, Va.	Howard	Ruppe
Buchanan	Hunt	St. Onge
Burke, Fla.	Hutchinson	Sandman
Burke, Mass.	Jarman	Satterfield
Burton, Utah	Johnson, Pa.	Schadeberg
Bush	Jonas	Scherle
Byrne, Pa.	Jones, N.C.	Schneebeli
Byrnes, Wis.	Kastenmeier	Schweiker
Cahill	Keith	Schwengel
Carey	Kelly	Scott
Carter	King, N.Y.	Selden
Cederberg	Kleppe	Shipley
Chamberlain	Kornegay	Skubitz
Clancy	Kuykendall	Smith, Calif.
Clark	Kyl	Smith, Okla.
Clausen, Don H.	Kyros	Snyder
Cleveland	Laird	Springer
Collier	Langen	Stafford
Colmer	Latta	Stanton
Conable	Lennon	Steiger, Ariz.
Corbett	Lipscomb	Steiger, Wis.
Cowger	Lloyd	Sullivan
Cramer	Long, La.	Taft
Cunningham	Lukens	Talcott
Daniels	McClory	Taylor
Davis, Wis.	McClure	Teague, Calif.
Delaney	McCulloch	Tenzer
Dellenback	McDade	Thompson, Ga.
Denney	McDonald, Mich.	Thomson, Wis.
Dent	McEwen	Tuck
Derwinski	Macdonald, Mass.	Utt
Devine	MacGregor	Vander Jagt
Dickinson	Machen	Vigorito
Dole	Mailliard	Waggonner
Donohue	Marsh	Waldie
Dowdy	Martin	Wampler
Duncan	Mathias, Calif.	Watkins
Dwyer	Mathias, Md.	Watson
Edwards, Ala.	Meskill	Whalley
Eilberg	Michel	Whitener
Erlenborn	Miller, Ohio	Widnall
Esch	Minish	Wiggins
Eshleman	Mink	Williams, Miss.
Fallon	Minshall	Williams, Pa.
Farbstein	Montgomery	Wilson, Bob
Findley	Moore	Winn
Fino	Mosher	Wydler
Ford, Gerald R.	Myers	Wylie
Fountain	Nelsen	Wyman
Friedel	Nichols	Zablocki
Fulton, Pa.		Zion
Galifianakis		Zwach

ANSWERED "PRESENT"—1

Hicks

NOT VOTING—54

Adair	Ashbrook	Bell
Anderson, Tenn.	Aspinall	Blackburn
	Baring	Brademas
Clawson, Del	Hays	Rivers
Cohelan	Hébert	Rumsfeld
Conyers	Heckler, Mass.	St Germain
Daddario	McCarthy	Saylor
Diggs	McMillan	Smith, N.Y.
Dorn	May	Staggers
Downing	Meeds	Thompson, N.J.
Edwards, Calif.	Miller, Calif.	Tiernan
Evins, Tenn.	Mills	Ullman
Feighan	Morton	Watts
Fisher	Multer	Willis
Gallagher	Murphy, N.Y.	Wilson, Charles H.
Green, Oreg.	O'Hara, Mich.	
Hagan	O'Konski	Wolff
Hansen, Idaho	Pirnie	Wyatt
Hansen, Wash.	Rees	

So the preferential motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Cohelan for, with Mr. Hicks against.

Mr. Rees for, with Mr. Hébert against.

Mr. Evins of Tennessee for, with Mr. Multer against.

Mr. Hagan for, with Mr. Downing against.

Mr. Brademas for, with Mr. Murphy of New York against.

Mr. Aspinall for, with Mr. Wolff against.

Mr. McMillan for, with Mrs. Green of Oregon against.

Mr. Fisher for, with Mr. St Germain against.

Mr. Watts for, with Mr. Tiernan against.

Mr. Willis for, with Mr. Baring against.

Mr. Charles H. Wilson for, with Mr. Morton against.

Mr. McCarthy for, with Mrs. May against.

Mrs. Hansen of Washington for, with Mr. Wyatt against.

Until further notice:

Mr. Rivers with Mr. Blackburn.

Mr. Gallagher with Mrs. Heckler of Massachusetts.

Mr. Miller of California with Mr. Del Clawson.

Mr. Mills with Mr. Ashbrook.

Mr. Meeds with Mr. Bell.

Mr. Feighan with Mr. Adair.

Mr. Hays with Mr. Rumsfeld.

Mr. Staggers with Mr. Saylor.

Mr. Ullman with Mr. Smith of New York.

Mr. Daddario with Mr. Pirnie.

Mr. Thompson of New Jersey with Mr. O'Konski.

Mr. O'Hara of Michigan with Mr. Hansen of Idaho.

Mr. Edwards of California with Mr. Diggs.

Mr. Anderson of Tennessee with Mr. Dorn.

Messrs. MACHEN, LLOYD, JOHNSON of Pennsylvania, FINO, and STAFFORD changed their vote from "yea" to "nay."

Mr. HICKS. Mr. Speaker, I have a live pair with the gentleman from California [Mr. COHELAN]. If he had been present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON] that the House insist on its disagreement to Senate amendment No. 18.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 19, line 7, strike out "$5,588,900,000 and insert "$5,547,400,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert: "and $55,000,000 of the funds available under this head shall be available only for the F-12 aircraft program; $5,493,400,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 20, line 17, strike out "$2,439,800,000" and insert $2,433,800,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$2,429,800,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 45, line 12, insert:

"(b) During the current fiscal year none of the funds available to the Department of Defense may be used to install or utilize any new 'cost-based' or 'expense-based' system or systems for accounting, including accounting results for the purposes prescribed by section 113(a)(4) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66a(a)(4)), until fifteen days after the Comptroller General of the United States (after consultation with the Director of the Bureau of the Budget) has reported to the Congress that in his opinion such system or systems are designed to (1) meet the requirements of all applicable laws governing budgeting, accounting, and the administration of public funds and the standards and procedures established pursuant thereto; (2) provide for uniform application to the extent practicable throughout the Department of Defense; and (3) prevent violations of the antideficiency statute (R.S. 3679; 31 U.S.C. 665)."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein with an amendment, as follows: In line 7 of said amendment, strike out "fifteen" and inset in lieu thereof "forty-five".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the conference report, as well as on the Byrnes of Wisconsin amendment, in connection with the Department of Defense appropriation bill just passed, and include extraneous matter.

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

There was no objection.

SMALL BUSINESS ACT AMENDMENTS OF 1967

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 913 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 913

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10409) to amend the authorizing legislation of the Small Business Administration, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 10409, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 1862, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 10409 as passed by the House.

The SPEAKER. The gentleman from Hawaii is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from California [Mr. SMITH] for the purpose of debate only, 30 minutes, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 913 provides an open rule with 2 hours of general debate for consideration of H.R. 10409 to amend the authorizing legislation of the Small Business Administration, and for other purposes. The resolution further provides that after passage of H.R. 10409 it shall be in order to take up S. 1862 and amend it with the House-passed language.

Title I or H.R. 10409 would amend the Small Business Act to increase by $650 million the authorization for the Small Business Administration's revolving fund. It would extend the maturity period of regular business loans made for the purpose of constructing facilities from 10 to 15 years and would permit the SBA to set up advisory boards to assist the Administration in dealing with the problems of small business.

Title II of the bill would amend the Small Business Investment Act to provide for new guidelines to be used by the Administrator in granting small business investment company licenses; limit the amount of ownership which banks may have in SBIC's; add a definition of venture capital for use in applying the provisions of the Small Business Investment Act; require an examination of each SBIC at least once a year and extend the provision of the lease guarantee program to all small businesses.

Title III would direct the Administrator of the SBA to conduct a study to determine the impact on small business concerns of robberies, burglaries, shoplifting, vandalism, and other criminal activities, with a view to determining ways in which such concerns may best protect themselves against such activities. An appropriation of $300,000 would be authorized to carry out the purposes of title III, which has the strong endorsement of the Small Business Administration.

All in all, H.R. 10409 as amended and reported out by the Committee on Banking and Currency is a good bill.

Mr. Speaker, I therefore urge the adoption of House Resolution 913 in order that H.R. 10409 may be considered.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated the the distinguished gentleman from Hawaii, House Resolution 913 does provide for an open rule with 2 hours of general debate for the consideration of H.R. 10409 entitled "The Small Business Administration Act Amendments of 1967." At the conclusion of the consideration of this measure, and if this measure is passed, then the language of H.R. 10409 will be substituted for the language now contained in S. 1862, and the Senate bill, as amended will be passed by the House.

Mr. Speaker, title I of the bill amends the Small Business Act to increase by $650 million the authorization for the SBA's revolving fund.

The SBA estimates that increasing its revolving fund authorization in the above amounts will enable it to continue its various lending programs until the end of fiscal 1970.

The bill also extends from 10 to 15 years the maximum term covering any business loan made under section 7 of the Small Business Act which assists small business firms in financing construction projects.

Finally, title I authorizes the SBA to pay the transportation and per diem expenses of any individual or group who provides information, advice, and guidance to small business concerns. The main purpose of this amendment is to facilitate the work of SCORE, a group of retired business executives who, on a volunteer basis, work with the SBA in providing management assistance to small businessmen.

Title II amends the Small Business Investment Company Act by establishing new criteria to be used by SBA in determining whether or not to grant an operating license for a small business investment company. These new criteria are believed necessary to more adequately serve many parts of the country which clearly need additional small business financing assistance. The bill also amends the Small Business Act to minimize the permitted investment by National and State chartered banks in such small business investment companies in order to insure a lessening of banking control over this industry. These amendments do not require divestiture of bank holdings but limit their holdings to less than 50 percent or $1 million in any small business investment company in which a bank has invested funds.

Title III of the bill authorizes a special study by the SBA of ways in which small business companies may best protect themselves against criminal acts, including riots and other disorders. The study is to be completed within 1 year and the sum of $300,000 is authorized to complete it.

The Small Business Administration and the Bureau of the Budget support the legislation. There are no minority views.

Mr. Speaker, my only personal comment is to this effect: I question title III of this particular bill. If I were the Administrator of the Small Business Administration—and I well realize that they change regularly every year or so—but if I were the Administrator, I would have long before now had reports from various offices throughout the United States where riots have occurred, as to what the results of those riots were, and other pertinent factors connected therewith.

Mr. Speaker, I have great admiration for the Regional Director of the office of the Small Business Administration in Los Angeles, the only office with which I am familiar. I have great admiration for the former Regional Director, as well as for the personnel employed in the Los Angeles office.

Mr. Speaker, we have had the McCone report on the Watts riots as well as many others.

I rather imagine that if the Administrator in Washington were to ask about the effect of this riot on small business in Los Angeles he could have a report within the very near future. I would not be surprised if he does not have one by now. So I rather hate to admit at this late stage that one of our Federal agencies has not done what they should have done in the interest of helping small business. I do not see why they did not do this long ago; they have the authority to do it, but apparently they are sitting around waiting for Congress to approve and give them $300,000 before they can find out the effect of rioting and other criminal activity upon the small businessman, in my opinion, one of the reasons we set up the Small Business Administration in the first place.

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

Mr. SMITH of California. I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Speaker, the gentleman referred to the fact that the Administrator should know about what effect these riots had on small business. I just want to make the observation that if the Administrator does not know what effect they have had, then he is possibly one of the few people in the world who does not know what effect they have had. To me it is perfectly ridiculous that we should spend $300,000 of the taxpayers' shortage of funds to make a study on the effect the riots have had on small business in that particular area. We know what happened. They burned them out of business.

Mr. SMITH of California. I thank the gentleman.

I want to do everything I can in behalf of small business, but it feels kind of silly to sit around here after all these riots have taken place, and then tell the Administrator to go out and spend $300,000 to find out what happened down on Central Avenue in Los Angeles where the rioters burned down all the stores. We all know what they did, and I am sure the Los Angeles office knows. I do want to help small business, but I do feel rather silly taking a position on a $300,000 study of the effect of the riots on small business throughout the United States. This should have been done before now by the SBA acting under its existing authority.

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

Mr. SMITH of California. Yes; I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank my friend from California for yielding.

I have read title III as it is contained in the report. I assume it is the same as is in the bill, and I find no reference to rioting. What is being hidden here? It refers to robberies, burglaries, shoplifting, vandalism, and other criminal activities; but rioting is not spelled out. What else in this bill is covered up that relates to the riots and demonstrations that have taken place as they affect small business?

Can anyone give us some information on that?

Mr. SMITH of California. It is my understanding, as I have prepared my remarks, that other criminal acts include riots and other criminal disorders. The testimony before the Committee on Rules was that this was one of the things they wanted to study.

Mr. GROSS. I am sure this language is broad enough to cover it, but in light of what has transpired with respect to rioting, looting, and arson, I am wondering why it is not spelled out somewhere along the line.

That leads me to ask the question of how much more of this bill is dedicated to taking care of the people who have suffered damage as a result of riots and demonstrations? I hope when we get into the general debate on the bill someone on the committee will enlighten us as to how much we are now going to be called upon to spend of the Federal taxpayers' money to take care of the small businesses which have suffered so much from these wanton acts of destruction.

Mr. SMITH of California. I thank the gentleman for his remarks.

Mr. Speaker, I have no requests for time.

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

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10409) to amend the authorizing legislation of the Small Business Administration, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10409, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1 hour and the gentleman from New Jersey [Mr. WIDNALL] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the legislation before the House today, H.R. 10409, would amend the Small Business Act and the Small Business Investment Act of 1958 through three separate and distinct titles.

I would briefly like to summarize each of the titles. Title I would amend the Small Business Act to increase by $650 million the authorization for the small business revolving fund. It would increase the maturity for regular business loans made for the purpose of constructing facilities from 10 to 15 years and would permit SBA to set up advisory boards to assist the Administration in dealing with problems of small businesses, and allow SBA to make travel and subsistence payments to certain volunteers assisting the agency.

Title II would amend the Small Business Investment Company Act of 1958 to provide new guidelines to be used by the Small Business Administration in granting small business investment company licenses. Title III would limit the amount of ownership by banks of SBIC's and would make mandatory an examination of each SBIC every year.

The title further provides that all small business concerns will be eligible for assistance under SBA's lease guarantee program. Under present law, participation in the lease guaranty program is restricted to small businesses displaced by Federal urban renewal or similar projects.

Title III of H.R. 10409 incorporates the provisions of H.R. 5584, a bill directing the Administrator of the Small Business Administration to conduct a study to determine the impact on small business concerns of robberies, burglaries, shoplifting, criminal vandalism, and other criminal acts, with a view to determine ways in which such concerns may protect themselves against these criminal activities. The study will also look into the possibility of a Government-insurance industry program for small businessmen in riot or high-crime areas.

H.R. 10409 was the subject of intensive hearings by your Banking and Currency Committee. The committee heard from both the old and the new Administrators of the Small Business Administration, as well as from a variety of representatives of the SBIC industry.

The increases contained in title I do not appropriate any additional funds to the Small Business Administration, but rather increases the amount of money that the agency may have outstanding

from its revolving funds in the various programs administered by the agency.

Every program operated by SBA is restricted to certain financial limitations with one exception. Members will recall that during the 89th Congress legislation was enacted removing the ceilings on the amount of funds that can be outstanding in the form of disaster loans. It was found that the disaster-loan ceiling was particularly burdensome if a widespread disaster, such as, flooding, earthquake, or fire occurred. It was also found that it was impossible to estimate the funds that would be needed in a disaster program, and thus a ceiling was unrealistic. However, the ceilings on all other programs were maintained. Once SBA reaches that ceiling, it must come to Congress to ask for additional lending authority. Thus, the raising of the lending ceiling is not necessarily asking for additional appropriations, but rather, to allow SBA to spend a greater portion of its own funds.

The figures contained in title I are the estimates for loan limitations for all fiscal years from 1967 to 1970 In order to meet these requirements, the Small Business Administration needs an increase in its lending authority of $650 million. This increased lending authority would be broken down in the following manner. There would be an increase from $1,400 million to $1,900 million in the dollar amount of loans which may be outstanding from the revolving fund for regular business loans and loans under title IV of the Economic Opportunity Act of 1964. There would be an increase from $400 million to $450 million in the amount that may be outstanding at any one time for loans to small business investment companies and an increase from $200,000 to $300,000 for loans to State and local development company programs. This brings the new increased lending authority to $650 million.

In view of the tight money situation, it is imperative that SBA be granted the increased lending authority as quickly as possible, since the money shortage hits the small businessman the hardest.

Title I also extends from 10 to 15 years the maximum term covering any portion of a business loan made by SBA for constructing a facility to be used by the small business recipient.

The operating experience of SBA under the business loan program indicates that it is not uncommon for the size of installment repayments to be so large, as a result of the existing 10-year limitation, as to create an exorbitant drain on the working capital of the borrower. In the past, the Small Business Administration in some instances has felt it necessary, because of the prospect of such a drain, to deny construction loans to applicants who were otherwise eligible. The provisions of section 103 of title I, permitting repayments in smaller installments spread over a longer period, should serve to eliminate or at least reduce such financial strain.

One of the more successful programs in the Small Business Administration has been the work of the Service Corps of Retired Executives—SCORE. About 3,000 retired executives have volunteered to cooperate with SBA in providing management advice and assistance to small businessmen on a person-to-person basis. This advice and assistance is usually offered without cost to the recipient.

This program has proved to be effective in assisting small business, but has one drawback in that the agency is prohibited from paying the travel and subsistence expenses for the SCORE volunteers. Section 105 of H.R. 10409 would remedy this situation, while at the same time provide that no travel expenses or per diem can be expended unless the travel incurred is more than 50 miles from the home of the individual. I want to make it clear that these payments would not be consulting fees or other such payments, but rather would be merely the out-of-pocket expenses that the volunteer has had in performing his work. Under present Government regulations, I believe the maximum per diem that such an individual could draw would be $16 a day.

Along this same line, H.R. 10409 would empower SBA to rent meeting facilities throughout the country for the conduct of SBA business. In the past the agency has had to meet the expenses of these meetings on a contribution basis. H.R. 10409 contains adequate safeguards to make certain that this rental provision is not abused by requiring an annual report of all funds expended under this provision.

All of the foregoing sections are contained in title I of the bill and deal for the most part with amendments to the Small Business Act.

Title II of H.R. 10409 is concerned with the Small Business Investment Act of 1958. As originally introduced, H.R. 10409 would have drastically revised the operations of the small business investment company program. Your committee recognizes that this program has had some rather serious problems in the past and may well have problems in the future, but the committee did not feel that the remedies contained in H.R. 10409, as introduced, would solve the problem. Among other things, as introduced, H.R. 10409 would have required all SBIC's to increase their private capital to $1 million by 1975, or leave the program. The smaller or minimum-size SBIC's objected to this provision, contending that they are being forced out of the program based solely on their size. Your committee examined this question closely and determined that it would not be in the public interest to require such a high minimum capitalization, and consequently this provision was defeated from the reported bill.

At the present time there are 603 SBIC's, including 18 that are in the process of surrender. Thus, the SBIC industry consists of 585 operating companies. Of that figure, however, only 44 companies have private capital of $1 million, or more. If the $1 million private capitalization section were included in the reported legislation, 541 companies would have to increase their capitalization in order to stay in the program. These figures are even more dramatic when the number of companies below the $1 million size are further studied.

There are 57 companies whose private capital exceeds $500,000. It is conceivable that these companies might not experience too great a difficulty in obtaining the necessary funds to reach the $1 million minimum requirement. But there are 144 companies with private capital between $300,000 and $500,000, 122 companies with private capital of between $160,000 and $300,000, and 236 companies with private capital below $160,000.

Thus, there are 502 companies with private capitalization of less than half a million dollars, and your committee feels that the possibilities of these companies reaching $1 million private capitalization by 1975 would be extremely small, given the current market conditions.

The most severely hit group of companies under H.R. 10409, as introduced, would have been the smallest by private capital, but largest by number of all SBIC's. Representatives of minimum-size companies told your committee that it would be virtually impossible for their SBIC's to reach the million-dollar requirement. Numerous letters and telegrams from small companies reinforced these statements. Copies of this correspondence have been printed in the hearings on H.R. 10409.

One of the main reasons put forth by the Small Business Administration for raising the capitalization requirement of SBIC's was that the smallest companies by private capitalization provide the largest number of regulatory problems for the agency, and that by raising the capital requirements the troublemakers could be removed from the program. Your committee does not feel that this is a legitimate function of H.R. 10409. During the 89th Congress, legislation was enacted, Public Law 89–779, to give SBA regulatory tools in dealing with SBIC problems. Only in recent months has SBA begun to make full utilization of the provisions of this law. It is not felt that regulatory difficulties of SBIC's should be solved by raising capitalization requirements. Therefore, your committee rejected the new size standard and at the same time expects SBA to police the SBIC industry through the regulatory powers granted it under Public Law 89–779. In this way SBIC's will not be forced out of existence without due process.

While it may be true that the largest number of regulatory problems arise in companies with the small private capitalization, it must also be pointed out that this size category represents the largest group of all SBIC's. Figures submitted to your committee by the Small Business Administration also indicate that this size group contains the largest number of nonproblem companies of any of the six-size categories in the SBIC program. Your committee does not feel it would be justified in reporting legislation that would penalize all of the smallest companies when, in reality, a vast majority of the small companies are free of major regulatory difficulties.

SBA further contends that the smallest companies, in addition to causing the most regulatory problems, are also the least profitable. Let us for the moment accept this premise. Your committee does not feel that the lack of profitability in a program as young as the SBIC industry

should be the basis for highly restrictive legislation that could force a majority of the companies out of business. At the same time, your committee was impressed by the statement of a small SBIC manager who reported that the small SBIC's only recently turned the profit corner for the first time. This is a highly encouraging sign and no action should be taken that would dull this trend.

When the Small Business Investment Act of 1958 was enacted, it provided that national banks and Federal Reserve banks and State nonmember banks where allowed by applicable State law could invest up to 1 percent of their capital and surplus in the stock of small business investment companies. This provision was placed in the act primarily to assist SBIC organizers in raising the necessary private capital to obtain a license. It was not anticipated that banks would wholly own small business investment companies. Commercial banks presently own or have an affiliation with 84 SBIC's, 24 of which are wholly owned by banks. This is an undesirable situation and one loaded with dangerous monopolistic potential. H.R. 10409 would prohibit any further wholly owned bank SBIC's and would limit the amount that a bank may invest in SBIC's to 5 percent of the bank's capital and surplus or $1 million, whichever is the lesser. Banks would be prohibited from holding 50 percent or more of the ownership in the SBIC following enactment of this act. The bank-related portions of H.R. 10409 apply only to investments made after enactment of the act, and will in no way affect existing holdings. Title II of H.R. 10409 also places greater emphasis on equity financing, rather than straight term loans. It requires an examination of each SBIC every year.

Also included in this title is a provision which would make all small businesses eligible for SBA assistance further eligible for assistance under the lease guarantee program. At the present time, this program is limited to small business concerns that have been displaced by a Federal urban renewal or other similar projects.

This would mean that a small business concern could locate in a shopping center, and for a fee have SBA guarantee the payment of the rent. Many shopping centers will not accept a new tenant unless it has a blue chip credit rating. And since most small businesses are not in this category, it is impossible for them to locate in shopping centers, and thus they lose the desired locations. Under H.R. 10409 the small business concerns would now become eligible for this type of assistance.

Title III of H.R. 10409 seeks solutions to one of the most serious problems facing urban small business today, crime. Pick up a newspaper in any metropolitan city on any day and we can easily see the effect that crime has had on small business. Robberies, burglaries, and now looting have become commonplace. Not only are small businessmen in urban areas being ruined by criminals, but they are faced with the severe problem of obtaining adequate insurance, if they are able to obtain any insurance at all.

The problem is well-known, but unfortunately, the answers are not. To this end, H.R. 10409 would direct the Small Business Administration to conduct a study to determine the best ways that small businessmen can protect themselves from burglaries, robberies, shoplifting, vandalism, and other criminal acts, including riots and civil disorders. The study is to be completed within 1 year and the sum of $300,000 is authorized for the study. Among other things, the study will look into the possibility of a Government-insurance industry program of insurance for small businessmen, the desirability of extending low-cost, long-term loans to small businessmen who have been victimized by criminals, and the use of low-cost loans for the purchase of protection equipment, such as burglar alarm systems, by the small businessman.

Title III incorporates all of the provisions of H.R. 5584, legislation introduced by Congressman ANNUNZIO, a member of the Banking Committee, on February 16. The legislation has received both the endorsement of the Small Business Administration and the Bureau of the Budget.

While some Members may feel that $300,000 is too big an expense for a study, it must be pointed out that unless this problem is solved, thousands of small businesses across the country will cease operations and the loss to the economy will be so great that the $300,000 expenditure will seem rather insignificant. The question here today is simple: Is this body willing to invest $300,000 in the future of small business in this country?

A wide variety of plans for aiding small businessmen, particularly in the insurance field, have been suggested during the 90th Congress. It is because of this difference of opinion that the study idea was conceived. It would be indeed unfortunate to adopt one of the plans now being proposed without giving it adequate study, only to find that the plan was not the right one. A great deal of time, energy, and money would have been wasted and the problem would still be far from solved.

By adopting the study approach, it will mean that there will be a central clearinghouse for all ideas, and every idea will be carefully studied by experts in the field. When a final plan of action is adopted, it will have the support of everyone and will be able to be put into effect immediately.

The entire $300,000 may not be needed in this study, nor do we expect the study to take the full year, but we do not feel that we should place roadblocks in the path of the Small Business Administration, if we are to obtain the best possible results. Small businessmen and their trade associations across the country have supported the concept of the study program. I feel it is the best approach. I, therefore, urge the adoption of title III, as well as the other two titles of H.R. 10409.

Mr. Chairman, I suggest that each member of the committee get a copy of our report. I think it is very full and complete. It is a very comprehensive report that goes into this bill and explains, I believe, every major question that could be asked.

I think the bill is a good one. It is a fair bill, and I believe that it should be passed by this House without opposition.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I appreciate the distinguished chairman yielding. I would like simply to ask a question about title III, in particular the $300,000 here for an additional study by the Director of Small Business Administration. I believe the gentleman referred to this in his opening remarks and said this was actually covered in prior legislation, if I recall correctly in the bill H.R. 5584, and that actually, if my information is correct, this would be a duplicate effort and the SBA has, in fact, established a study for that purpose already under existing funds which they have available perhaps under this other law. Will the gentleman give the House a little more explanation on that point, please?

Mr. PATMAN. Mr. Chairman, may I state to the gentleman from Missouri that this $300,000 could be paid out of the funds of the Small Business Administration. It may not be necessary for other funds to be appropriated. It is true they are making a study now, but they were reluctant to go ahead with it unless the Congress specifically authorized it, and that is the object of this legislation.

On page 16 of the report there is a letter from the present Administrator, Mr. Robert C. Moot, outlining the situation which I think is along the lines I was suggesting. There may not be a need for additional money to be appropriated. The money is now in the hands of the Small Business Administration. But I think they are right in requesting authorization of Congress before finishing up the study. This study has been approved by the Bureau of the Budget. It is approved by all agencies of the administration having to do with the Small Business Administration.

Mr. HALL. Mr. Chairman, if the gentleman will yield further, is it also true that it was included in fiscal year 1968 budget, as well as approved by the Bureau of the Budget?

Mr. PATMAN. This is $300,000, it is one sum. I am told that it is not yet appropriated, and the gentleman is correct, it will be in the 1968 budget. But, of course, it is part of the general funds for the SBA.

Mr. HALL. Was it not provided for in H.R. 5584?

Mr. PATMAN. That was a bill authored by Mr. ANNUNZIO, of Chicago. He sponsored this bill all along. The provisions of his bill were embodied in the bill we are now considering.

Mr. HALL. It is not already separate law?

Mr. PATMAN. No, sir.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Chair-

man, directing the gentleman's attention to title II, on page 11, we see:

Among other things, to the need and availability for the financing of small business concerns in the geographic area in which the proposed company is to commence business.

Has there been or was there any testimony as to what would constitute a geographic area, or is that something that the Administrator can have some flexibility on in determining what constitutes the geographic area?

Mr. PATMAN. Mr. Chairman, I think every agency has power to establish geographic areas for specific purposes in carrying out the administration of the act they are charged by law with administering. I think the SBA would properly be permitted to establish its geographic areas under this particular language the gentleman read.

Mr. ROGERS of Colorado. Then I would assume under the language that is used—and to take for an example my own congressional district, the city and county of Denver, and we say Rocky Mountain West, of which it is the capital, so to speak, we have a few firms there—does "geographic area" permit them as an example to make investments in not only the city and the county of Denver, but the entire State of Colorado or in the Rocky Mountain West, if there is need there?

Mr. PATMAN. That is correct. The Administrator, of course, would pass upon that.

If he made mistakes, Members of Congress would call them to his attention. If the mistakes were not corrected, they would be taken up before the Congress..

Mr. ROGERS of Colorado. In other words, we do not want to give to him the authority to confine the small business company to its investment in the particular area where headquarters happens to be.

Mr. PATMAN. That is not contemplated, I know.

Mr. ROGERS of Colorado. I thank the gentleman.

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

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

Mr. GROSS. I have two or three questions to ask concerning the proposed investigation.

Is there not an investigation presently being conducted, and well financed, by a Presidential commission or some other organization?

Mr. PATMAN. Not to my knowledge, no. There is a Presidential task force commission.

This is a specific investigation of a particular type. It is only for small business.

Mr. GROSS. What is that?

Mr. PATMAN. It is only for small business.

Mr. GROSS. What is only for small business, the task force investigation?

Mr. PATMAN. This investigation in the bill is for small business.

The task force the gentleman refers to, I believe, would refer to all business.

Mr. GROSS. Does the gentleman mean in connection with the riots and demonstrations?

Mr. PATMAN. All causes; vandalism, theft, all types of robbery, riots, and everything else.

Mr. GROSS. I cannot understand why we should raid the taxpayers for another $300,000 to obtain information which surely must be obtainable at only a fraction of that expenditure.

Mr. PATMAN. There is a problem of collecting this information. Information is available for Watts. Information is available for Harlem. Information is available for Detroit. Information is available for hundreds of cities throughout the country, but there must be some one central agency to try to take all this information and evaluate it and try to find out if there is any one thing, or more than one thing, which causes all of these violations we are talking about, and particularly the riots.

Mr. GROSS. So it is planned to set up the Small Business Administration as the center for information?

Mr. PATMAN. No. Just this study group would be the center for it. The study group would be composed of people selected by the Small Business Administrator, who would have charge of the administration of this law.

I believe the gentleman will be impressed with him, when he knows him. He is a fine, able person, with a good record. I feel sure he will be a fine executive and administrator.

Mr. GROSS. I say to the gentleman, this all sounds fine, but I am also aware that it has been said hell is paved with good intentions.

I am thinking now in terms of saving the taxpayers a few dollars in regard to an enterprise which I doubt very much is at all necessary in order to accumulate the information that is wanted or needed.

Mr. PATMAN. A stitch in time saves nine. It is possible that a little money spent this way could save millions or billions in the future.

May I read one sentence from the report, on page 15:

This legislation was introduced by committee member Congressman Annunzio on February 16. It authorizes a special study by the Small Business Administration of ways in which small business concerns may best protect themselves against robberies, burglaries, shoplifting, vandalism, and other criminal acts including riots and other civil disorders.

That language, I state to the gentleman from Iowa, well describes the duties of the special study commission.

Mr. GROSS. I am able to read the report, but I am still not convinced by a long shot that we need to spend another $300,000 to obtain this information.

Mr. PATMAN. Some of our Members were apprehensive about this, too.

We went into it rather fully for that reason. We came out with a unanimous report of the committee's 33 members.

Mr. GROSS. Did the gentleman say in response to the gentleman from Missouri that this would not require an additional $300,000 and that the funds are already available; that no new money would be required?

Mr. PATMAN. I think I was mistaken about it already having been appropriated. It will have to be appropriated. But it will be funds to be used by the Small Business Administration. It is not new funds to be taken out of the Treasury to be used for this purpose.

Mr. GROSS. Of course, if you take $300,000 of the funds appropriated to the Small Business Administration for this purpose, you do not have it for some other purpose in the Small Business Administration, do you? That is, if you want to make a loan to a small business then that $300,000 is gone; is it not?

Mr. PATMAN. It is not just gone, but it will serve a good purpose and possibly it will save millions and billions of dollars.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. DEVINE. I invite the chairman's attention to page 4 of the committee report, under title I, about the middle of the long paragraph there where it says:

The first of these amendments would increase from $1,400,000,000 to $1,900,000,000 the amount which may be outstanding from the fund at any one time under sections 7 (a), 7(b)(3), 7(e) and 8(a) of this act—

And this is the part I would like to invite your attention to—

and title IV of the Economic Opportunity Act of 1964.

We are talking first about half a billion dollars. I understand just a portion of that would relate to title IV of the Economic Opportunity Act. Someone over here suggested we are talking about $50 million. Could the chairman explain exactly what this is?

Mr. PATMAN. Only $100 million as disclosed in the table in the report will go for the Economic Opportunity Act.

Mr. DEVINE. How much?

Mr. PATMAN. It is $100 million.

Mr. DEVINE. Is this a separate funding for the Economic Opportunity Act?

Mr. PATMAN. No. The fourth amendment would increase from $100 million to $200 million the amount outstanding at any one time under title IV of the Economic Opportunity Act of 1964.

Mr. DEVINE. I think you are talking about the second amendment. I am talking about the first of the amendments, which would increase from $1.4 billion to $1.9 billion the amount outstanding from the fund at any one time under various sections. Then it says "and title IV of the Economic Opportunity Act." I think we are entitled to an explanation of that. My understanding is we are talking about $50 million. I am wondering if this is a back-door way of getting $40 million for the rat extermination program and having another $10 million to play with under the Economic Opportunity Act.

Mr. PATMAN. No. I am sorry. It is not. This would increase the revolving fund half a billion dollars. That is true. However, only $100 million of that would go to the Economic Opportunity Act.

Mr. DEVINE. I thank the gentleman.

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

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

There was no objection.

Mr. WIDNALL. Mr. Chairman, I rise in support of this legislation and can report there was practically unanimous support on both sides of the aisle for this legislation as it was being considered. We have had some discussion since about some amendments that will be presented later and on which I believe there will be agreement on both sides of the aisle. Mr. BROWN of Michigan has two amendments which he will offer en bloc. I have one that has to do with a new reporting requirement that has not been offered in the past. Congressman STEPHENS of Georgia has an amendment which I believe will be accepted. I believe when these amendments are in the bill we will smooth out whatever rough edges there are in it and it will assure the full support of the Members of the House.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. PATMAN. I agree with the statement just made by the distinguished gentleman from New Jersey, the ranking minority member of the committee. I believe that these amendments will iron out some troublesome spots and I think will be acceptable to the Members of the House generally. I am in favor of them.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Do I understand that the amendments to which the gentleman has referred and the amendments which will be offered en bloc by the gentleman from Michigan [Mr. BROWN] with reference to the authorization of the increase to the present large and medium investment companies—is that the point to which the gentleman refers?

Mr. WIDNALL. Yes; they do refer to sections 203 and 204 of the act. They will be explained by the gentleman from Michigan [Mr. BROWN] at the time he offers the amendments.

Mr. ROGERS of Colorado. I thank the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I now yield such time as he may consume to the gentleman from West Virginia [Mr. MOORE].

Mr. MOORE. Mr. Chairman, I thank the gentleman from New Jersey [Mr. WIDNALL] for yielding to me. As the ranking member of the Select Committee on Small Business of the House of Representatives, I rise in support of the Small Business Act Amendments of 1967.

We have before us an opportunity to do much to assist the Small Business Administration in its immense task of assisting the Nation's small businesses in an increasingly hostile economic climate.

H.R. 10409, as amended, combined vitally needed improvements to the present act. There is great demand for increased authorization of loan funds; longer repayment provisions must be extended, and assurance of more effective operation of the Small Business Investment Company program is required if this avenue of venture capital for small business is to survive and prosper.

Title II of the bill provides an increased authorization for the SBA revolving fund of $650,000,000, an amount which, we are told, will enable the various SBA loan programs to continue until June 30, 1970.

We are all aware of the too frequently heard explanation by the Small Business Administration of lack of funds. Another deserving small business is thus deprived of life-giving financial support. The present authorization failed to envison the recent loan requirements of businessmen suffering losses in the riot-torn areas. This is but one facet of increased loan needs of small businesses. We must maintain and increase this loan source; $650,000,000 will provide the opportunity for SBA to more adequately meet the rapidly rising demand.

The increase from 10 to 15 years of the maturity of regular business loans made for the purpose of constructing facilities will enable the granting of loans to those now rejected. It will enable substantial growth of capital improvements of small businesses. It will ease the pressure upon new and growing small businesses by extending the period of loan repayment.

The SCORE program, well intended and well conceived, but inadequately supported, has failed to gain the importance we had intended. In this bill a sorely needed boost to the entire program is given by the authorization of travel funds to those volunteers, the Service Corps of Retired Executives. If this good, potentially great program is to grow to its full capacity, provision for travel expenses for its participants is essential.

Just as there was no recognizable source of venture capital for the smaller firms when we first passed the SBIC Act in 1958, so is there none other than the SBIC in 1967. Obviously, this is a tough business and it takes a measure of Government assistance to get investors to put their money in new or young and small firms. Otherwise, there would be many financial establishments seeking to provide venture capital to untried and independent concerns.

I believe these simple facts alone are sufficient to convince us that we should take adequate steps to guarantee the survival of the important SBIC program. I am certain that there may be no SBIC industry worthy of the name left by next year if Congress does not pass good legislation this year.

Leverage is at the heart of the SBIC operation and the amendments introduced by Mr. BROWN restore the heart of the SBIC amendments of 1967 to H.R. 10409. I strongly support the amendment and urge my colleagues to do so, too.

Mr. Chairman, I happen to believe that these represent necessary improvements in the act and will certainly permit the Administrator, in many instances, to extend a helping hand to numerous small business entities throughout the country which otherwise would not enjoy the benefits of this program.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, we have some Members on this side of the aisle who wish to clarify their position on certain matters. Therefore, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I shall be very brief.

I wish to commend the distinguished chairman of the committee, the gentleman from Texas [Mr. PATMAN], as well as the distinguished ranking minority member of the committee, the gentleman from New Jersey [Mr. WIDNALL], in bringing to the floor of the House for its consideration this very constructive piece of legislation.

Although the SBIC industry has had some rough periods, as might be expected in any new industry, I am fully in support of the program. The contribution made by this industry to our economy has been great. The beef-up enforcement powers available to the Small Business Administration by last year's legislation can prevent abuses.

Although the SBIC industry is roughly 8 years old, it has already supplied millions of dollars to small businessmen and created thousands of new jobs. With such credentials, it is important that we provide the SBIC program with every opportunity for continued advancement.

To this end, H.R. 10409, unlike a companion passed by the other body, continues the life of the minimum size company. Under the other body's bill, S. 1862, all companies would be required to have one million dollars in private capital by 1975 or leave the program. Such a requirement would be unrealistic and would arbitrarily remove a majority of the companies from the program without due process. H.R. 10409 does not contain this provision, but allows the minimum size companies to remain in operation and gives them a chance to grow larger without demanding that they reach certain financial peaks in a given period. Not all of the small companies may ultimately prosper, but we should not deny them an opportunity to have the chance to prove themselves.

It must also be noted that for the first time the small companies recently turned the profit corner. As the House report on H.R. 10409 points out, this is an encouraging sign. No action should be taken which would dull this trend.

S. 1862 would reduce the amount an SBIC could lend to any single small business concern to one-half the amount presently allowed. The other body's legislation provides that no SBIC could lend more than 20 percent of its private capital to any one company. True, the legislation does provide a staggered formula for reaching that figure, but within 5 years there would be a 50-percent reduction in the amount that could be lent.

The legislation before this body today, H.R. 10409, does not contain the reduced lending figure, but continues the existing policy of allowing the SBIC to invest an amount equal to 20 percent of its private capital and certain Government borrowed funds in any small business concern. Such a provision is far more equitable than that contained in S. 1862. It would allow an SBIC far more latitude

in seeking investment potentials and at the same time would acquit this body of the charge of changing the rules after the game has begun.

It is my understanding that at the proper time the gentleman from Georgia [Mr. STEPHENS] will offer an amendment to allow real estate oriented SBIC's to continue their real estate investment policy without being penalized by the Small Business Administration. I vigorously support this amendment.

As it presently stands, SBA has administratively ruled that SBIC's with more than one-third of their portfolio in real estate investments would be denied additional Government funds, the right to merge, and other benefits unless the real estate holdings were reduced below the one-third minimum.

The ruling countermands earlier SBA regulations which clearly allowed unlimited real estate investments. In short, SBA has changed the rules of the game on the SBIC industry.

In this time of extremely tight money, it is important that every possible consideration be given to aiding the homebuilding industry. Thus, it would seem only logical that we encourage SBIC's to make real estate investments, particularly since it may be one of the answers to saving a great many homebuilders throughout the country.

It is also my hope that after the House passes H.R. 10409, a suitable agreement can be reached in conference with the Senate to include the Senate's provision for additional leverage.

Such additional leverage would, I believe, make a great contribution to the welfare of American small business by guaranteeing the survival of the small business investment company program.

The testimony received by the House Banking and Currency Committee on this bill gives every indication that the SBIC industry is contracting—at a time when our independent businesses need it most. During the past 8 months, some $100 million in private capital has been siphoned out of this important program which now can claim only about $300 million in private capital in contrast to a high mark of well over $450 million several years ago.

This attrition resulted from an increasing awareness on the part of stockholders that the incentives provided to attract and keep their dollars in the SBIC program were just not valuable enough to offset the difficulties and risks involved in making long-term financing available to small business.

The Small Business Administration recognized this fact—as did other segments of the executive branch—and H.R. 10409 was introduced as an administration measure. Before the Banking and Currency Committee, SBA Administrators Bernard L. Boutin and Robert C. Moot strongly urged the enactment of a bill which would give sufficient incentives to hold the present dollars in the program and bring additional new private capital into it.

The Senate considered an identical measure and, on June 28, passed S. 1862 which contained a section 204 which followed closely the recommendation of SBA. It is that section which I am advocating today.

For a number of reasons, the House Banking and Currency Committee while not rejecting the idea that added incentives were needed, struck section 204 completely from the bill before reporting it out. But our committee, by its action did not mean to indicate that it felt that the program should be scuttled.

Nonetheless, the SBIC industry read of our action, and raised the question whether the committee had repudiated its long-time support of this significant program.

I do not believe we should leave that impression. I know that our committee wants a strong, profitable, and expanding SBIC industry, because that is the only way we can be certain that small businesses have access to a dependable source of venture capital for modernization and expansion.

As a member of the Joint Economic Committee, as well as of the Banking and Currency Committee, I am particularly concerned with the growth potential of our national economy. I am convinced that the SBIC program has fostered sound economic growth through providing these equity funds and long-term loans to small business firms. The data collected by SBA prove beyond question that the businesses which have received SBIC assistance have fared far better than the average of all American businesses, large as well as small.

Furthermore, the same data show that tens of thousands of new jobs have been created through this SBIC program, and that small businesses with SBIC help have increased their profits by an average of 265 percent. Obviously, this is of tremendous importance.

One last word about ramifications of the SBIC concept: all of us are troubled by the alarming increase of concentration in the American economy. Some attempts are made to head off this trend by antitrust activities. Enforcement of the antitrust laws is certainly necessary, but I suggest that giving a boost to qualified and ambitious independent concerns is a positive way to seek the same goals. The SBIC program is one of the most significant ways to remove obstacles now facing small business and to lend them a hand up the growth ladder.

Let me summarize:

First, I feel that SBIC's have proven to be useful instruments for achieving the national goal of assisting small business and promoting economic growth.

Second, unchallenged statistics show that the SBIC industry contains less private capital today than it did 3 or 4 years ago, despite the unquestioned need of small business for ever-greater amounts of the type of financing these SBIC's can provide.

Third, resources have drained away from the SBIC program because the incentives have not been sufficient to attract dollars from private investors. This is a tough business—and a risky one. Except for SBIC's, there is no institutional source of such dollars and this probably proves that we must give added incentives to get and keep these private dollars.

Fourth, the leverage amendment should provide those additional incentives which the program requires. It is backed by SBA and has been passed by the Senate. It is held to be absolutely essential by the industry.

The chairman of the Committee on Banking and Currency has asked me to withhold the leverage amendment today in the interest of orderly processes.

May I have an expression from the chairman that when this matter gets to conference, as it inevitably will, sympathetic consideration can be given to that Senate language?

Mr. PATMAN. The gentleman from Wisconsin is a member of our committee, and a very important member, and he is high enough up on the committee so that he is a member of every conference committee that is selected in this committee, and he will be a member of the conference committee for this bill.

I assure the gentleman it will be a pleasure for me to work with him to make sure that full and adequate consideration is given to his views along this line.

Mr. REUSS. I thank the gentleman. It is of course my intention to attempt in conference to secure the addition to what otherwise is an excellent bill, of this Senate language.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Chairman, do I understand that the amendment the gentleman has been discussing is somewhat similar to that which has already been approved by the other body?

Mr. REUSS. It is.

Mr. ROGERS of Colorado. And the assurance which was just made by the chairman of the committee that when you do go to conference this amendment which you now have, and which is similar to that which the Senate has is something that will be taken into consideration and if possible make it possible for the larger companies to continue on and expand their business, and help also the small businesses, is that the objective?

Mr. REUSS. That is precisely my understanding, and I am very gratified to have the expression we just had from our distinguished chairman.

I can assure the gentleman from Colorado that I will do everything within my power to see that the Senate language will be contained in the bill when the bill goes to the President's desk.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Tennessee.

Mr. BROCK. Mr. Chairman, just for legislative history, I understand the gentleman from Michigan is going to offer an amendment expanding the limitations contained in sections 203 and 204. I hope the gentleman is not saying that these amendments are going to be of-

fered and passed on the floor and then are to be washed out in conference.

Mr. PATMAN. Oh, no.

Mr. BROCK. I believe we all share the same objective of not so much helping the big companies, but the middle-sized companies that are being chopped with the bill as it is written today. I believe there is apparently no doubt it is necessary to take some action to alleviate a condition which has to do with who will continue as the recipients. We are, I hope, going to pass an amendment that will attempt to deal with the problem.

Mr. REUSS. Let me say to the gentleman from Tennessee, while I have not had an opportunity to see what amendments would be offered by the gentleman from Michigan [Mr. BROWN], I believe that Mr. Brown's mind and mine are working in the same direction, and I have it in mind to support Mr. BROWN'S amendment, and then in conference, if the language can be improved upon along the line of the Senate, I would want the opportunity to improve it.

Mr. BROCK. I thank the gentleman for clarifying his position.

Mr. REUSS. Mr. Chairman, I now yield to the gentleman from Iowa [Mr. GROSS].

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

I am still trying to find out how much of the increase provided for in this bill by way of financial assistance is due to the riots, looting, and burning that has already taken place?

Mr. REUSS. I am glad to answer that question. None of it—this is a provision, and an excellent provision, for a study by the Small Business Administration of matters that existed long before there were any riots, sniping, looting, and anything of that sort. It is very necessary and the SBA welcomes the unanimous initiative of the House Committee on Banking and Currency to fund that study. It has nothing to do with the current riots.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I have listened with great interest to the very interesting colloquy and statements that have been made here by my colleagues. I agree with them, and very much so.

Mr. Chairman, I am concerned about this program because I have seen the good that it has done in my own hometown of San Antonio where we have a pecan-shelling factory that is in existence today and giving employment to more than 200 workers by virtue of an investment through the SBIC—to say nothing of the benefit as a result of that to the farmers and growers in the area.

It has also come to my attention at the present time as well as in the past that the SBIC investments have created other sources of enterprise in my district and in the surrounding area.

According to the SBA data, more than 8,500 new jobs have been produced by financing through the SBIC in the State of Texas alone and this does not include the number of jobs that have been saved as in the case of this pecan shelling industry and factory in my district, as well as the number of jobs that have been upgraded as a result of venture capital supplied by the SBIC.

From the testimony received by our committee, I know that the SBIC has had the same results in other States in our country.

Therefore, Mr. Chairman, this is a bill which I think clearly demands our support and our active interest. But I am afraid that it is in not too good a shape at the present time, however, and therefore we do have a stake in seeing to it that this legislation, as it goes forth from our committee will be strengthened further in conference.

I had intended to offer some amendments that would strengthen this legislation and that would attract venture capital rather than discourage it as apparently is the case today. However, I, as well as my colleague, the gentleman from Wisconsin [Mr. REUSS], have decided that because of the overall interest in seeing to it that the main thrust and purpose of this legislation is expressed here and passed by the House of Representatives, and looking forward to the sympathetic interest of the chairman as well as the Members of the other body who will unquestionably be delegated to iron out the kinks in this legislation in conference, I trust that our intentions, as they are reflected in the amendments that we have prepared, will be carried out in conference.

I, of course, defer to the chairman in that respect who has assured us that this too is his intention.

Mr. PATMAN. The gentleman is correct in his statement.

Mr. GONZALEZ. Thank you very much.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] yields back 2 minutes.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Chairman, I would simply say to the Members of the House sitting in this Committee of the Whole that we are in a period of time in this country and in a world as a whole when the need for capital is paramount.

The effective banker of small business has been the SBA and its partner, the SBIC. It has been demonstrated to us that to be an effective banker, you have to build a good leverage with your capital and have a multiple use and a flexibility in the turnover of your capital. It seems to me that one of the things lacking in the bill is the failure to see the importance of that leverage section of the amendment that was stricken out during the committee's handling of the bill and which is going to be put back into the bill, as I understand it, by the gentleman from Michigan [Mr. BROWN].

This has to do with the area discussed by the gentleman from Wisconsin and the gentleman from Texas. I certainly strongly support that position.

It seems to me we should encourage banking partners of small business to become both small, medium, and large so that they are on a competitive basis with those who bank for other elements in our society.

They should be able to bring along with them banking, in addition to management skills, to bring in the use of computers and other things that are available to their competitors in the larger business structure. I think that if this bill does that and goes in that direction, it will have made a tremendous contribution to an element in our society that certainly we can ill afford to lose and to lose its effectiveness. I sincerely hope we can strengthen this legislation and that it will have the full support of this House.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BINGHAM].

Mr. BINGHAM. Mr. Chairman, I would simply like to say at this time that I have noted in supplemental views certain amendments adopted in the committee which I regretted, and I hope in these respects the version adopted by the other body will prevail in conference. I am glad to hear that will be given careful consideration by the chairman and the other conferees on the part of the House.

I think we should bear in mind, as the gentleman who preceded me stated, the gentleman from California, that we have to be concerned with very small enterprises, the "mamma and papa" type of stores, but we must also be concerned with the not-so-small. It is the not-so-small that may need the help of larger SBIC's, and we must do nothing to disturb the growth of the larger SBIC's.

I have already noted in my supplemental views to the committee report my regret that we have dropped section 204 "to provide an incentive to the larger companies to increase the amount of equity financing in their portfolios." It is my hope that the conferees for the House will be able to restore it without sacrificing the important steps we have taken to protect the position of smaller SBIC's.

This goes to the most fundamental goal of the SBIC program—to provide equity capital for smaller companies.

One of the risks in talking about small business is that it is so easy to lose your perspective about what is "small" and what is "large." In my view, we must be seriously disturbed at the continuing withdrawals of larger SBIC's from the program. There is a vital role which must be played for small business that probably requires a private capital base of several million dollars. Compared to most SBIC's, that is "large" compared to the size of small companies today—and to the size of their equity financing problems—it is not large at all.

Unless small business grows as fast as the economy as a whole, it loses ground to big business. Unless small businesses that get bigger are replaced in the economy by new and growing small companies, the trend to concentration of ownership and control is not balanced by new entries into the marketplace. The natural consequence as the economy gets bigger, and business units get bigger is that we must keep adjusting our own idea of what a "small business" really is. Otherwise we

fall into the trap of being in favor of small business so much that we want it to be smaller and smaller. It does not stand still any more than the economy does.

Just to give some perspective to this question of "larger" SBICs, let me quote to you from the statement of Dr. Willard F. Mueller of the Federal Trade Commission before the Select Committee on Small Business of the Senate on March 15 of this year. Dr. Mueller reported that we are in the midst of a major merger cycle and that in the last 8 years more than 800 significant mergers have been recorded every year.

In 1966—

Dr. Mueller reported—

they reached an all-time high, when a total of 98 large mergers with combined assets of $4 billion were consumated. Over the period 1948–66, 912 manufacturing and mining companies with combined assets of $31 billion were acquired. About one-half of those assets were acquired in the last 5 years of this 19-year period.

Now, consider the effect of all this:

In 1966—

Again quoting Dr. Mueller—

the 2,320 manufacturing companies with assets of $10 million or more controlled 83 percent of the assets and 85 percent of the profits of all manufacturing corporations.

That means that 300,000 manufacturing companies were competing for the remaining 17 percent of the assets and producing the remaining 15 percent of the profits.

Bear in mind that SBIC's finance only companies with less than $5 million in assets, $2½ million in net worth and less than $250,000 in net profits.

This is the place where the most serious equity gap is—the place where the biggest number of jobs is created, the place where the most serious pressure on independent business comes.

Still to provide perspective in any given week, the financial press will report mergers and acquisitions of companies with more assets than there are in the whole SBIC industry. Here is a list for the first 10 days of this month: United Shoe and United Carr; Hupp Corp. and White Consolidated; Packard-Bell and Telex; Hamilton Watch and Bush Terminal; International Silver and Taylor Publishing; Smith Industries and Drilco Oil; ITT and Jasper Blackburn; Becton Dickinson and Univis; Litton Industries and Landis Tool, and so on.

These are not trends that the SBIC industry can stop or even influence seriously. But it can be effective in stimulating small and independent companies to grow to replace those being absorbed. But to be effective, it must have both larger and smaller SBIC companies. The small ones can function down at the grassroots, and we need them badly. But we need the large ones just as badly.

We need their ability to provide equity capital to companies that must be able to finance their growth with fresh equity capital or become tomorrow's merger candidates. My concern here is not with the merits of mergers as such. It is with the need to do what we can to eliminate one unfortunate reason for mergers—inadequate equity financing for the smaller company. I hope the joint conference committee will provide us with a strong incentive provision that will keep the larger SBIC's in the program, and stimulate the flow of new private capital to the smaller SBIC's to enable them to grow larger.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. RYAN] and I will state that when we go back into the House, I intend to ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material.

The CHAIRMAN. That will have to be done in the House.

Mr. PATMAN. I am just giving notice. I now yield to the gentleman from New York.

The CHAIRMAN. The gentleman from New York is recognized for 2 minutes.

Mr. RYAN. Mr. Chairman, I rise to express my concern about the need to encourage small businesses which are engaged in the construction industry, contracting, or subcontracting. The small contractor or subcontractor often is refused bonding by surety companies and, therefore, he is unable to obtain work. In the light of this situation, I have introduced a bill, H.R. 1254, which is addressed to this problem, and which would permit the Small Business Administration to indemnify surety companies against losses which might result from the bonding of a construction firm:

". . . if the Administration determines that—

"'(1) the existence of such an indemnification undertaking on the part of the Administration will materially affect the ability on the small business concern to obtain the bond in quesion; and

"'(2) such action on the part of the Administration will be in furtherance of the objectives of the Economic Opportunity Act of 1964;

unless the Administration determines that there is not a reasonable assurance that the conditions for the discharge of all liability on the bond will be fulfilled.'"

This summer's ghetto disorders have shown us, among other things, that large sectors of the urban population are disaffected. The traditional American way out—advancement through hard work and self-improvement—has been closed to all but the brightest and most fortunate of ghetto minorities by the technological sophistication of affluent America and compounded blight of ghetto America.

One example of the marginality of the ghetto economy and the impediments to developing indigenous private enterprise can be found in the construction industry. Last year a small Harlem contractor told me of the difficulty he had in getting construction work. He said his firm was unable to get jobs because it could not persuade surety companies to provide it with payment or performance bonds. Since most construction contracts require such bonds, this contractor was effectively denied construction.

I have held a series of conversations with the Small Business Administration and the Office of Economic Opportunity. They seem to agree that many potentially viable construction firms are blocked by the difficulty of getting bonding. Ironically, this cycle of discouraged enterprise and blocked jobs virtually guarantees that the ghetto will become an even poorer risk in the future.

My bill is designed to encourage the creation of indigenous enterprise and jobs where they are needed most. Not only will it help small businessmen, but it will help to provide thousands of new jobs for those who live in slums and ghettoes.

In New York at present it is well known that the structure of the conventional construction industry is virtually closed to Negroes and Puerto Ricans.

We must find ways to remove the obstacles to the establishment of small firms and to assist them once they are established. If we fail, the dream of a society whose growth and dynamism is limited only by man's ingenuity will be closed to ever increasing numbers of Americans.

Urban construction is one industry where local enterprise can rebuild self esteem while it rebuilds neighborhoods. H.R. 1254 would remove one major institutional impediment—the difficulty of getting bonding. The best soldiers in the war on poverty must be the poor themselves, if we can break the cycle of economic and social depressants.

I certainly hope that the bill which I have introduced will receive the careful attention of the Committee on Banking and Currency. I have discussed this with the chairman. I urge that the chairman of the committee, the distinguished gentleman from Texas [Mr. PATMAN], hold hearings at the earliest possible moment on this bill. It is crucial to devise a means to answer this problem.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Texas.

Mr. PATMAN. I assure the gentleman that we will do our best to hold hearings as quickly as possible.

Mr. RYAN. I thank the distinguished chairman for that assurance. This is a serious problem, a solution to which could result in giving small businessmen in our major cities the opportunity to engage in construction work, which is so important if indigenous people are to be involved in rebuilding our cities.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TENZER].

Mr. TENZER. Mr. Chairman, I rise to commend the chairman of the committee, the gentleman from Texas [Mr. PATMAN] and the ranking minority member [Mr. WIDNALL], for bringing this legislation to the floor. I rise in support of H.R. 10409.

I am concerned with two problems. One is the establishment by the Small Business Administration of regulations which are not in line with the intent of the Congress in the establishment of the Small Business Loan Act. These guidelines exclude to a very great extent small

businessmen who need and require loans. The original intention was that the sole test for the granting of the loans should be the needs of the individual small business applicants, except in case of extreme emergency where the President has declared a regional or sectional disaster area.

During recent weeks I have been concerned with SBA activities in the Nation as a whole and in my own congressional district. I have written several letters to Mr. Robert C. Moot, the Administrator of SBA, and feel that as a result of this exchange of correspondence, we must take affirmative action to remedy several defects in SBA procedure.

I have noticed a drastic reduction in the number of SBA section 7(a) loans in New York State and in the county of Nassau. Statistics furnished by the SBA, in answer to one of my inquiries, discloses that the number of 7(a) loans, in Nassau County, N.Y., dropped from 66 in fiscal 1966 to an unbelievable 13 in fiscal 1967. Allow me to read into the RECORD, at this time, Administrator Moot's letter of August 15, forwarding statistics furnished by the New York regional office of SBA and those furnished by the SBA Congressional Liaison Office, and to cite these statistics for the information of my colleagues:

SMALL BUSINESS ADMINISTRATION,
Washington, D.C., August 15, 1967.

Hon. HERBERT TENZER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TENZER: I regret the delay in answering your request of July 28. I had hoped to be able to dig out some of the information you requested but find that it will be impossible until our new loan accounting system goes into effect in January.

Specifically, details on the number of banks participating in SBA loans on the federal, state and county levels are being collected and broken down to furnish the greatest possible information, and I shall be happy to send the data to you as soon as it is complete.

I am enclosing a copy of the information which our New York Regional Office gave to Mr. Ken Schanzer of your office by telephone on August 7, as well as a fact sheet summarizing SBA activities, and Annual Reports for 1961 through 1965. The 1966 report will shortly be available and a copy will be sent to you at that time.

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

Sincerely yours,

ROBERT C. MOOT,
Administrator.

LOANS APPROVED, STATE OF NEW YORK, FISCAL YEAR 1963 THROUGH FISCAL YEAR 1964

[Dollar amounts in thousands]

	Number	Amount
7-A, business:		
SBA-wide	44,271	$1,785,784
New York State	3,295	90,608
Nassau County	214	5,146
EOL I:		
SBA-wide	3,819	36,802
New York State	760	6,857
Nassau County	42	343
EOL II:		
SBA-wide	1,067	14,522
New York State	84	1,212
Nassau County	2	21

LOANS APPROVED, STATE OF NEW YORK, FISCAL YEAR 1963 THROUGH FISCAL YEAR 1967

[Dollar amounts in thousands]

	Number	Amount
SBA-wide:		
7-A, business:		
Fiscal year:		
1963	6,073	$313,904
1964	6,288	312,212
1965	13,420	418,057
1966	10,404	354,841
1967	8,086	386,770
Total	44,271	1,785,784
EOL I:		
Fiscal year:		
1965	159	1,766
1966	1,689	17,625
1967	1,971	17,411
Total	3,819	36,802
EOL II: Fiscal year 1967	1,067	14,522
New York State:		
7-A, business:		
Fiscal year:		
1963	236	15,484
1964	289	22,705
1965	1,094	26,050
1966	1,473	17,090
1967	203	9,279
Total	3,295	90,608
EOL I:		
Fiscal year:		
1965	19	155
1966	372	3,385
1967	369	3,317
Total	760	6,857
EOL II: Fiscal year 1967	84	1,212
Nassau County:		
7-A, business:		
Fiscal year:		
1963	12	952
1964	45	1,275
1965	78	1,183
1966	66	1,209
1967	13	527
Total	214	5,146
EOL I:		
Fiscal year:		
1965	1	6
1966	27	249
1967	14	88
Total	42	343
EOL II: Fiscal year 1967	2	21

Note: Statistics furnished by SBA Congressional Liaison Office.

In conversations had with SBA officials after they furnished the foregoing statistics, I conclude that some of the figures should be somewhat higher than reported. In view of these disclosures, I have asked Chairman EVINS of the House Select Committee on Small Business, to investigate the matter. I will read the full text of my letter to Chairman EVINS:

SEPTEMBER 5, 1967.

Hon. JOE L. EVINS,
Chairman, Select Committee on Small Business, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As the Congressman from a district with approximately 20,000 small businesses, I have been concerned with the activities of the Small Business Administration. My examination of SBA programs reveals a startling drop in the number of SBA loans nationwide and in Nassau County, New York, part of which I represent.

Statistics furnished by the SBA show that the number of Section 7(a) loans in Nassau County dropped from 66 in fiscal year 1966 to 13 in fiscal year 1967. On a nationwide basis, the number dropped from 10,404 to 8,086 loans. I have been unable to find any satisfactory explanation for these statistics. In addition it is apparent that the number of banks, willing to participate in SBA loans, has also decreased to an alarming point.

I respectfully request the assistance of the Select Committee on Small Business in 1) investigating this matter in Washington, and 2) sending a representative to Nassau County to explore it fully at the local level.

I would appreciate any assistance you could give me in this matter.

Sincerely,

HERBERT TENZER,
Member of Congress.

Mr. Chairman, the statistics furnish only part of the story, for my investigation has revealed what I consider to be serious defects in the current procedures utilized by the Small Business Administration. In a letter to Administrator Moot on September 8, I outlined several steps which, I believe, would strengthen the efforts of the SBA and provide the Congress with better information with which to evaluate those efforts. Let me read into the RECORD of this debate the text of my letter to Administrator Moot:

SEPTEMBER 8, 1967.

Mr. ROBERT C. MOOT,
Administrator, Small Business Administration, Washington, D.C.

DEAR MR. MOOT: I am writing to express my concern about the apparent decline in the SBA's direct loan program and to offer some suggestions which I believe will strengthen the program.

The statistics which your office furnished me on August 15th reveal the following:

(1) The number of section 7(a) small business loans—nationwide—dropped from 10,404 in fiscal 1966 to 8,086 in fiscal 1967. Even if Economic Opportunity loans are added, the total number dropped from 12,093 to 11,124.

(2) In Nassau County, New York, the number of 7(a) loans dropped from 66 to 13.

(3) In New York State the number of 7(a) loans dropped from 1473 to 225.

(4) Of the more than $386 million in 7(a) loans approved by SBA in fiscal 1967 only 13.7 million went to businesses in New York State and only 2.5 percent of the total number of 7(a) loans approved were spent in a State with 9 percent of the population of the United States and which contributed 19% of the federal tax revenues.

In light of these statistics on September 5, 1967 I requested the House Select Committee on Small Business to inquire as to the reasons for this decline in the number of 7(a) loans.

Because of my concern over the decline in loans, I would like to suggest the following changes in procedure which I believe would benefit the Small Business program and the Congress. They are:

(1) Elimination or modification of the present priority system under which preferences are given to defense oriented industries; loans resulting in substantial increase in employment; loans to businesses contributing to reduction in balance of payments through export sales; businesses contributing to reduction in air and water pollution; and loans based on local economic needs. While I recognize the need for guidelines, these categories of priorities must not become exclusive.

The intent of Congress in creating the SBA was not to single out particular industries for priority but to foster competition and strengthen the small business community in general. The priority system has violated the intent of Congress and should be modified or eliminated.

(2) A change in SBA's reporting system to include in its annual report to the Congress more realistic statistics regarding the total number of loan requests received by SBA.

Officials have admitted in congressional hearings that SBA's application statistics

are meaningless since many loan requests are turned down before applications are processed and these are not reported to the Congress. Congress should have this information in order to effectively exercise its watchdog functions. I urge you to change the reporting procedures of SBA accordingly.

(3) Review and revise the allocation system employed by SBA to assure a more equitable distribution of loans throughout the 50 States. It is certainly strange that New York State with 9 percent of the total population of the United States received only a little more than 2 percent of the small business loans approved this year. If this is a result of the priority system then I am more convinced that SBA has strayed far afield from the intent of Congress in creating the SBA.

I make these suggestions because of my concern for providing to the small businessman, who is the backbone of American industry, an effective independent agency which will carry out the intent of Congress. I urge you to review these proposals and invite your comments.

Sincerely yours,

HERBERT TENZER,
Member of Congress.

The three proposals which I have just outlined deal primarily with procedural aspects. At some future time, I would like to appear before the Committee on Banking and Currency to present some substantive deficiencies in the Small Business Act. For the moment, I would recommend that the committee deal with the following:

First, the priority system, which has been criticized by Congress since its inception, should be modified to bring it more in line with the original intent of Congress in establishing the Small Business Administration. Under the present system, a loan to an industry which will result in "substantial" employment is given a high priority. What is the meaning of the term "substantial"? While I agree that we must be concerned with the problem of unemployment, I am constrained to ask how SBA can justify making a single loan of $100,000 to a company which might result in 10 additional jobs and refuse to make six loans of $15,000 each to genuine small businesses and end up with 12 to 15 newly created jobs. If the present priority system has this result, then the system must be questioned.

Second, SBA's reporting system to Congress should be revised. Presently SBA, when reporting the percentage of applications granted, includes only those applications which have first filtered through its priority system. They do not include the number of those denied or refused applications because they do not fit into the priorities. This type of reporting gives rise to exceedingly large percentages of acceptance which belies the actual fact.

Third, the present system of allocation, which in no way corresponds to either the population in a given State or to the number of small businesses within that State. For example, New York State with 9 percent of the total U.S. population received little more than 3 percent of the small business loans in the last fiscal year. If the SBA is to truly help small business, it must do so on a nationwide basis and its allocation system should be brought into line with the latest population and business statistics.

Mr. Chairman, my remarks today do not represent the end of my efforts to help strengthen the SBA. The welfare of this Nation's small businesses is of crucial importance to the prosperity of our Nation and I will support every effort of the SBA to strengthen this vital sector of our economy. I intend to keep the committee, and the House, informed on the results of my own investigation into the SBA and urge my colleagues to inquire into the activities of SBA in their own States and districts. In the absence of administrative action by the SBA, I will introduce legislation to remedy the defects which I have outlined today and any others which may come to my attention in the future. I can only hope that the result will be a strengthened SBA and more prosperous small businesses. The sole test for a small business loan should be the needs of the small businessman to survive. This should be the guideline except in case of extreme sectional or regional emergency or disaster. The small businessman is the very heart of our American free enterprise system and he must be helped when he is faced with difficulty in getting bank participation in loans with SBA.

I would urge the committee to check the regulations adopted by the Small Business Administration without approval of the Congress, to see whether there is a consistency and harmony with the intent of Congress. I hope the chairman will look into these questions.

Mr. PATMAN. Mr. Chairman, I thank the gentleman. We will.

Mr. Chairman, we have no further requests for time.

Mr. WIDNALL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 10409

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

TITLE I

SEC. 101. This title may be cited as the "Small Business Act Amendments of 1967".

SEC. 102. Paragraph (4) of section 4(c) of the Small Business Act is amended—

(1) by striking out "$1,400,000,000" and inserting in lieu thereof "$1,900,000,000";

(2) by striking out "$400,000,000" and inserting in lieu thereof "$450,000,000";

(3) by striking out "$200,000,000" and inserting in lieu thereof "$300,000,000"; and

(4) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000".

SEC. 103. Paragraph (4) of section 7(a) is amended by striking out "except that a loan made for the purpose of constructing facilities may have a maturity of ten years" and inserting in lieu thereof "except that such portion of a loan made for the purpose of constructing facilities may have a maturity of fifteen years".

SEC. 104. The subsection added to section 7 of the Small Business Act by the Disaster Relief Act of 1966 (Public Law 89-769), and designated thereby as subsection (e), is redesignated as subsection (f).

SEC. 105. Subparagraph (B) of paragraph (1) of section 8(b) of the Small Business Act is amended to read as follows:

"(B) in the case of any individual or group of persons cooperating with it in furtherance of the purposes of subparagraph (A), (i) to allow such an individual or group such use of the Administration's office facilities and related materials and services as the Administration deems appropriate; and (ii) to pay the transportation expenses and a per diem allowance in accordance with section 5703 of title 5, United States Code, to such an individual or group of persons for travel and subsistence expenses incurred at the request of the Administration in providing gratuitous services to small businessmen in furtherance of the purposes of subparagraph (A) or in connection with attendance at meetings sponsored by the Administration;".

SEC. 106. Paragraph (13) of section 8(b) of the Small Business Act is amended to read as follows:

"(13) to establish such advisory boards and committees as may be necessary to achieve the purposes of this Act and of the Small Business Investment Act of 1958; to call meetings of such boards and committees from time to time; to reimburse the members of such boards and committees in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred in attending the meetings of such boards and committees; and to rent temporarily, within the District of Columbia or elsewhere, such hotel or other accommodations as are needed to facilitate the conduct of such meetings; and".

SEC. 107. Section 8(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14), by inserting "; and" in lieu thereof, and by adding the following new paragraph:

"(15) to disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as it shall deem appropriate, to public agencies, private organizations, and the general public."

SEC. 108. The subsection added to section 402 of the Economic Opportunity Act of 1964 by section 405 of the Economic Opportunity Amendments of 1966 (Public Law 89-794), and designated thereby as subsection (b), is redesignated as subsection (c).

TITLE II

SEC. 201. This title may be cited as the "Small Business Investment Act Amendments of 1967".

SEC. 202. (a) Section 302(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a)(1) Each company which receives a license after the effective date of the Small Business Investment Act Amendments of 1967 (hereafter referred to in this subsection as the effective date) shall, unless prior to such date the company had applied for the license and in connection with such application had received from the Administration a 'Notice To Proceed', have a combined paid-in capital and paid-in surplus of $1,000,000.

"(2) Each company which receives a license or a 'Notice To Proceed' before the effective date shall, except as provided in paragraph (3), comply with each of the following minimum standards of paid-in capital and paid-in surplus:

"(A) A company whose combined paid-in capital and paid-in surplus on the effective date in less than $300,000 shall have a combined paid-in capital and paid-in surplus of at least $300,000 by February 28, 1969; of at least $500,000 by February 28, 1971; and of at least $1,000,000 by February 28, 1975;

"(B) A company whose combined paid-in capital and paid-in surplus on the effective date is at least $300,000, but less than $500,000, shall have a combined paid-in capital and paid-in surplus of at least $500,000 by February 28, 1971; and of at least $1,000,000 by February 28, 1975;

"(C) A company whose combined paid-in capital and paid-in surplus on the effective date is at least $500,000, but less than $1,000,000, shall have a combined paid-in capital

and paid-in surplus of at least $1,000,000 by February 28, 1971.

"(3) The Administration may by regulation (A) exempt any group or category of companies from the requirements of paragraph (2), and (B) extend any of the time limits established in paragraph (2) for the benefit of all the companies affected by the limit or any group or category of such companies. The Administration shall exercise its powers under this paragraph whenever it determines that such exemption or extension of time (A) is necessary in order to carry out the purposes of this Act with reference to any geographic area or locality of the United States, or (B) is appropriate for certain types of companies by reason of their adequate profitability, financial soundness, and assistance provided to small business concerns.

"(4) Any company which fails to comply with any of the minimum capital requirements of this subsection applicable to it shall be deemed in violation of this Act."

(b) Section 309(a) of the Small Business Investment Act of 1958 is amended by striking out the period at the end of paragraph (5), by inserting a semicolon in lieu thereof, and by adding the following new paragraph:

"(6) for failure or refusal to comply with any of the minimum capital standards established by section 302(a)".

SEC. 203. Section 302(b) of the Small Business Investment Act of 1958 is amended by striking out "2 per cent" and inserting in lieu thereof "5 percent".

SEC. 204. Section 303(b) of the Small Business Investment Act of 1958 is amended to read as follows:

(b) To encourage the formation and growth of small investment companies the Administration is authorized (but only to the extent that the necessary funds are not available to the company involved from private sources on reasonable terms) to purchase, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate basis, the debentures of any such company. Debentures purchased by the Administration under this subsection shall be subordinate to any other debenture bonds, promissory notes, or other debts and obligations of such companies. Such debentures may be issued for a term of not to exceed fifteen years and shall bear interst at a rate of not less than (1) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities on such debentures, adjusted to the nearest one-eighth of 1 percent, plus (2) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes. The debentures shall also contain such other terms as the Administration may fix, and shall be subject to the following restrictions and limitations:

"(1) The total amount of debentures purchased and outstanding at any one time from a company which does not qualify under the terms of paragraph (2) of this subsection, shall not exceed 200 percent of the combined paid-in capital and paid-in surplus of such company. In no event shall the debentures of any such company purchased and outstanding under this paragraph exceed $7,500,000.

"(2) The total amount of debentures which may be purchased and outstanding at any one time from a company which (A) has a combined paid-in capital and paid-in surplus of $2,500,000 or more and (B) has an investment of 65 percent or more of its total funds available for investment in small business concerns invested in equity capital as defined in section 304(a)(2) of this Act, shall not exceed $5,000,000 plus 300 percent of that portion of the company's paid-in capital and paid-in surplus which exceeds $2,500,000. In no event shall the debentures of any such company purchased and outstanding under this paragraph exceed $10,000,000. Such additional purchases which the Administration makes under this paragraph shall contain conditions to insure appropriate maintenance by the company receiving such assistance of the described ratio during the period in which debentures under this paragraph are outstanding.

"(3) Outstanding amounts of financial assistance provided to a company by the Administration prior to the effective date of the Small Business Investment Act Amendments of 1967 shall be deducted from the maximum amount of debentures which the Administration would otherwise be authorized to purchase under this subsection."

SEC. 205. Section 304 of the Small Business Investment Act of 1958 is amended—

(1) by inserting the paragraph designation "(1)" after "(a)" in subsection (a);

(2) by inserting the following new paragraph (2) in subsection (a);

"(2) For purposes of section 303(b)(2) of this Act the term 'equity capital' shall include such common stock, preferred stock, or other financing with subordination or nonamortization characteristics, as the Administration shall determine to be substantially similar to equity financing."

(3) by repealing subsection (c); and

(4) by redesignating subsection (d) as subsection (c).

SEC. 206. Section 306 of the Small Business Investment Act of 1958 is amended to read as follows:

"SEC. 306. Without the approval of the Administration the aggregate amount of obligations and securities acquired and for which commitments may be issued by any small business investment company under the provisions of this Act for any single enterprise shall not exceed 20 percent of the combined paid in capital and paid in surplus of such company: *Provided, however,* That with respect to obligations or securities acquired prior to the effective date of the Small Business Investment Act Amendments of 1967, and with respect to legally binding commitments issued prior to such date, the provisions of this section as in effect immediately prior to such effective date shall continue to apply."

SEC. 207. Section 310(b) of the Small Business Investment Act of 1958 is amended by adding after the first sentence thereof the following new sentence: "Unless waived by the Administration for good cause, each such company shall be examined at least once each year."

SEC. 208. (a) The section heading of section 302 of the Small Business Investment Act of 1958 is amended to read as follows: "CAPITAL REQUIREMENTS";

(b) The description of section 302 in the table of contents of the Small Business Investment Act of 1958 is amended to read as follows: "Capital Requirements".

SEC. 209. The effective date of this title shall be ninety days after enactment.

Mr. PATMAN (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

In page 3, line 4, immediately after "to" insert "any".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 5, strike "an".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 5, strike "or group of persons".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 7, after "Administration" insert "in connection with travel to a point more than fifty miles distant from the home of that individual".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 19, strike "to reimburse" and all that follows through the semicolon in line 23.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 4, strike line 3 and all that follows through line 14 on page 4.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 4, line 15, redesignate section 108 as section 107.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Strike all of title II (page 4, line 20, through page 11, line 4) and insert:

"TITLE II

"SEC. 201. This title may be cited as the "Small Business Investment Act Amendments of 1967".

"SEC. 202. Section 301(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"'(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration and approval or disapproval. In determining whether to approve such a company's articles of incorporation and permit it to operate under the provisions of this Act, the Administration shall give due regard, among other things, to the need and availability for the financing of small business concerns in the geographic area in which the proposed company is to commence business, the general business reputation and character of the proposed owners and management of the company, and the probability of successful operations of such company including adequate profitability and financial soundness. After consideration of all relevant factors, if it approves the company's articles of incorporation, the Administration may in its discretion approve the company to operate under

the provisions of this Act and issue the company a license for such operation.'

"SEC. 203. Section 302(b) of the Small Business Investment Act of 1958 is amended by striking 'except that in no event shall any such bank hold shares in small business investment companies in an amount aggregating more than 2 percent of its capital and surplus.' and inserting 'except that in no event may any such bank acquire shares in any small business investment company if, upon the making of that acquisition,

"'(1) the aggregate amount of shares in small business investment companies then held by the bank would exceed

"'(A) 5 percent of its capital and surplus, or

"'(B) $1,000,000

whichever is less, or

"'(2) the bank would hold 50 percent or more of any class of equity securities issued by that investment company and having actual or potential voting rights.'

"SEC. 204. Section 103 of the Small Business Investment Act of 1958 is amended—

"(1) by striking 'and' at the end of paragraph (7);

"(2) by changing the period at the end of paragraph (8) to read '; and'; and

"(3) by adding the following new paragraph at the end:

"'(8) the term "venture capital" means capital supplied by the purchase of common or preferred stock or subordinated debentures as to which there is no amortization or sinking fund requirement for at least five years after issuance.'

"SEC. 205. Section 310(b) of the Small Business Investment Act of 1958 is amended by adding after the first sentence thereof the following new sentence: 'Each such company shall be examined at least once each year.'

"SEC. 206. The first sentence of section 401(a) of the Small Business Investment Act of 1958 is amended by striking out 'that are (1) eligible for loans under section 7(b)(3) of the Small Business Act, or (2) eligible for loans under title IV of the Economic Opportunity Act of 1964'.

"SEC. 207. The effective date of this title shall be ninety days after enactment."

AMENDMENT TO COMMITTEE AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. STEPHENS: On page 11, immediately after line 7, insert:

"SEC. 202. (a) Title III of the Small Business Investment Act of 1958 is amended by inserting immediately after section 306 the following new section:

"'REAL ESTATE DEVELOPMENT

"'SEC. 306A. (a) In the case of any small business investment company licensed prior to October 1, 1966, under the provisions of this Act, which has received the approval of the Administration prior to that date of its articles of incorporation or investment policy, and which by the terms and provisions of the approved articles of incorporation or investment policy is empowered to invest in (whether through loans or equity securities) real estate development oriented enterprises and activities, the Administration shall not impose any limitation, formally or informally, by regulation, order, advice or otherwise, in respect of the company's investments in real estate oriented enterprises and activities which is more restrictive than, or otherwise at variance with, the company's articles of incorporation or approved investment policy.

"'(b) No application to the Administration from any licensee referred to in subsection (a) of this section for participation in any of the programs, benefits, activities or services available to licensees under the provisions of this Act shall be denied, or participation in any program limited or withheld by the Administration for the sole reason that the investments of the applicant in real estate development oriented enterprises and activities exceed a percentage of the applicant's total investment portfolio, unless such investments exceed the percentage allowable under the applicant's articles of incorporation or approved investment policy.'

"(b) The table of contents at the beginning of that Act is amended by inserting

"'Sec. 306A. Real estate development.'

immediately after

"'Sec. 306. Aggregate limitations.'"

And redesignate the succeeding sections of title II accordingly.

Mr. STEPHENS. Mr. Chairman, quite a large number of small business investment corporations, with the approval of the Small Business Administration, have concentrated investments in real estate small business concerns. These have provided a great deal of equity money to land developers, apartment and shopping center developers, operative builders, and similar type concerns in the real estate field. Last year the Administrator of Small Business Administration issued a memorandum to the effect that any small business investment corporation previously approved by Small Business Administration for concentration of its investments in real estate small business concerns could not receive any additional funds from the Small Business Administration unless the small business investment corporation agreed to reduce its investments in real estate small business concerns to not more than one-third of the small business investment corporation's portfolio.

Specifically, the purpose of the amendment is to provide that a small business investment corporation which had previously received the approval of Small Business Administration to concentrate its investments in real estate small business concerns would be permitted to continue such concentration and be eligible for the full benefits of the program in the same manner as any other small business investment corporation.

As I have said, the Small Business Administration has licensed a large number of small business investment corporations that have substantial real estate portfolios. The regulation to cut them back to one-third has affected about 100—or one out of every six—and will virtually put these out of the Small Business Administration program. My amendment will stop this. There is no valid reason to put these types of small business investment corporations out of business.

Regulations now exist to prohibit unbridled land speculation by small business investment corporations. Proper policing by Small Business Administration to enforce this regulation is all that is necessary—not an order that will put out of business both the good and the bad—if any—with no distinction.

If these types of small business investment corporations are put out of business, so will the people be out of business who have been their clients, such as small homebuilders, suppliers of homebuilders, and employees of homebuilders such as carpenters, plasterers, and brickmasons. We cannot let that happen.

The amendment has been presented on this side of the aisle, and I believe it is acceptable to the committee, and I believe the minority has passed upon it, and it is acceptable to them.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Texas.

Mr. PATMAN. Is it acceptable to the Members on our side?

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I believe it is acceptable to all Members on our side.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I am glad to yield to the gentleman from Tennessee.

Mr. BROCK. Why did the Administrator impose this new regulation?

Mr. STEPHENS. The opinion I have is that the original regulation said there would be no land speculation. The small business investment corporations which were organized were not supposed to be engaged in land speculation.

Rather than policing this properly, as should have been done, the procedure has been just to treat everybody exactly alike, the good and the bad, without making any differentiation.

If the Small Business Administration would take the time to look at the good ones—and, if there are any, the bad ones—it should be done on that basis, rather than by arbitrary regulation.

Mr. BROCK. What the gentleman is saying—and I believe I would concur—is that under existing law the Small Business Administration has the authority to stop involvement in speculative or dangerous practices in real estate transactions, but has not exercised the jurisdiction in this regard except by blanket indictment of a practice for all concerned.

Mr. STEPHENS. My amendment would stop that. They would have to do it properly.

Mr. BROCK. The effect of the gentleman's amendment, and I want to have it clearly understood, is not to broaden the authority of the SBIC's to engage in any speculative activity which they would not have been able to engage in before.

Mr. STEPHENS. You are absolutely right.

Mr. BROCK. It does not in any way reduce the authority of the Small Business Administration to pursue these maltransactions if so they be. That is true, is it not?

Mr. STEPHENS. That is correct.

Mr. BROCK. So, in effect, we are saying we have existing authority that the Small Business Administration should be required to enforce the statute as it was originally drawn.

Mr. STEPHENS. That is correct.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I will be glad to yield to the chairman.

Mr. PATMAN. Much of this confusion

I am sure is due to the fact that every year we have had a new Administrator. I think we are nearer on a permanent basis now the time when we would have good people to administer this law than we have been at any time in the past. I believe we will have less confusion under this administration than we have had in the past.

Mr. STEPHENS. Mr. Chairman, I would like to yield now to the gentleman from California [Mr. HANNA].

Mr. HANNA. I thank the gentleman for yielding.

I want to associate myself with his amendment and strongly associate myself with the remarks made by the gentleman from Tennessee [Mr. BROCK], because I know last year we passed the legislation which gave them the powers that would allow them to go ahead and regulate this industry. At the same time they want us to pass a law now that will completely prohibit it. I certainly agree with both gentlemen that we are proceeding in the right way with this amendment.

Mr. PATMAN. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Georgia [Mr. STEPHENS].

The amendment to the committee amendment was agreed to.

AMENDMENTS TO THE COMMITTEE AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer two amendments to the committee amendment and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Amendments to the committee amendment offered by Mr. BROWN of Michigan: On page 12, immediately after line 2, insert:

"SEC. 203. The second sentence of section 302(a) of the Small Business Investment Act of 1958 is amended by changing '$700,000' to read '$4,000,000'."

And redesignate the succeeding sections of title II accordingly.

And on page 12, immediately after line 19, insert:

"SEC. 204. Section 303(b)(1) of the Small Business Investment Act of 1958 is amended by changing '$4,000,000' to read '$6,000,000'."

And redesignate the succeeding sections of title II accordingly.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman, the 1967 small business investment corporation legislative bill—H.R. 10409—as recommended by the Small Business Administration and considered by the House Banking and Currency Committee contains certain provisions which would have granted increased incentive provisions to the industry's medium and larger sized companies without detracting in any way from the small SBIC. Although our committee took no positive action at the time of its hearings to consider or adopt the recommended incentive legislation, it was nevertheless my understanding, and that of my fellow members, that such incentive legislation was vitally important to the SBIC industry and would be given consideration under a separate bill.

Let me point out and emphasize that the committee's failure to take action on the incentive provisions of the bill was by no means meant to indicate that the committee did not agree with such incentive legislation or consider it less than vital to the program. Rather, the committee's action in reporting out H.R. 10409 as it did was to first deal with those matters on which there was general agreement by the committee members. Since the reporting out of H.R. 10409 and talking with various members of the SBIC industry, we have become more convinced then ever that incentive legislation is needed and needed now for the medium and larger companies if the SBIC industry is to survive.

It is, I believe, important to note that the additional incentives requested would not in any way take away or reduce the incentives already provided for smaller SBIC's. As a matter of fact, the ratio of the additional incentives sought by the SBA and industry for the medium and larger SBIC's would not be as large as those presently provided to the smaller SBIC's.

Since the committee's failure to adopt or act upon incentive legislation, two of the largest public companies in the SBIC industry have served notice of their intent to leave the program. The departure of these two companies will take $58 million, or approximately one-sixth, of all the total private funds out of the program.

Obviously, there were probably many reasons which entered into the decisions by these two large companies to leave the program; however, the fact remains that their decisions were not announced until shortly after the committee reported out the SBIC bill without any provision for incentive legislation.

Of major interest to our committee in considering whether to provide incentives for medium and larger SBICs, was the Administration's report that it had established a reserve for losses on Government loans of $50 million. It should be noted, however, that it is impossible to determine at this time, by the Administration or anyone else, if all of this reserve will ever be needed. To date I understand that only $10,000 has actually been charged off by the SBA against this reserve. Although the size of this reserve is certainly significant, we must not lose sight of the fact that this industry, as created by Congress and by its very nature, is "venture" or "risk" oriented and consequently will have some losses. I think it also important to point out that almost 90 percent of this loss reserve has been set up on Government loans to the smaller SBICs and not the medium and larger companies for which incentive legislation is now being requested. No doubt much of the reason for SBA's loss reserve stems directly from the admitted laxity under which SBIC licenses were issued during the first few years of the industry's existence.

Our committee, in considering H.R. 10409, recognized the need for tightening licensing standards and accordingly added appropriate language to this section of the bill. I am informed that representatives of the SBIC industry strongly favor the committee's action in providing tighter licensing requirements. In offering this amendment in committee, I recognized that most of SBA's problems with the SBIC's arise out of inadequate examination of proposed businesses and their chance of success.

It is obvious from my conversation with members of the industry that they feel both smaller and larger SBIC's are equally important to the program. The smaller SBIC is important in that it covers many areas which would not be economically feasible for the larger. On the other hand, it is the larger SBIC which captures the financial writer's interest. And through publicity for the larger SBICs, small businessmen and the financial community as a whole become aware of the existence of this source of capital. The publicity for the large SBIC rubs off on the small businessman looking for a "source" of capital close to home.

In summary, many, if not all, on the committee believe that adequate incentive provisions, along the lines requested by the SBA and the SBIC industry, are required for all small, medium, and large size SBICs if the industry is to continue to meet the demands of small business. Further, we believe that such incentives should be provided as quickly as possible before other large companies leave the program, taking with them a further substantial portion of all private capital presently invested in the program.

To this end I am offering two amendments. Both would reinstate the language of the existing law but would raise the maximums of Government participation.

A résumé of where we stand today with respect to this legislation would be helpful to the Members, I believe.

The present law provides, in section 302, for the purchase by SBA of debentures of our SBIC—subordinated to all other obligations except return of the private capital—of not to exceed $700,000. This is on a one dollar-for-one dollar private capital matching basis.

In turn, the existing law in section 303 provides for loans to be made to an SBIC by SBA in an amount equal to 50 percent of the paid-in capital and surplus of the SBIC but not to exceed $4 million. Collateral must be provided to secure the repayment of loans under this section.

The effect of these provisions taken together is that an SBIC with $7.3 million private capital base can get as much Government participation as another SBIC twice its size; and whereas an SBIC of only $700,000 or less receives, in effect, a 2-to-1 contribution of Government participation, this ratio falls off as the SBIC becomes larger until, at say a $15 million capitalization, this ratio of Government participation to private capital is only 1 to 3.

Recognizing this inequity in the law, the SBA recommended, and the Senate

passed, a new provision which would, in effect, combine Government funds available to SBIC's under sections 302 and 303, and increase the maximum available to $7.5 million rather than the $4.7 million maximum of the present law.

A further $2.5 million is made available under the Senate bill to the SBIC's who qualify by having at least 65 percent of their funds in equity type financing.

But repayment of all of this $10 million—that is, the $7.5 and the $2.5 million—of Government funds is completely subordinate to all other obligation and claims of the SBIC except its capital and surplus.

Our House committee, although impressed with the necessity of increasing the maximums of Government funds available to SBIC's and cognizant of the necessity to add incentives for growth, did not feel we were ready to accept a complete subordination of all Government funds as is provided for in the Senate bill. We feel Government should still have at least a major part of its loans collaterally secured.

Therefore, the amendments I am offering do raise the maximums to the same total recommended by SBA and passed by the Senate but retain the requirement of collateral for loans under section 303. The result, section 302 is retained in its present form, but the maximum participation by SBA is raised from $700,000 to $4 million.

Section 303 is retained with its requirement for the furnishing of security but the maximum borrowing permitted under this section is increased from $4 million to $6 million.

In essence, these amendments will limit the unsecured participation by Government in an SBIC financing to $4 million and make available an additional $6 million borrowing maximum, such borrowings to be secured by the furnishing of collateral; whereas, the original bill as proposed by SBA and passed by the Senate would make the total of $10 million available on a totally unsecured basis.

I urge the adoption of these amendments, which I understand the chairman of the committee accepts.

Mr. PATMAN. Mr. Chairman, would the gentleman yield?

Mr. BROWN of Michigan. Let me add one thing first, if I may.

I would further add that these amendments certainly provide a broader basis from which to work in conference than would be the case if they were not adopted.

Mr. PATMAN. I agree with what the gentleman has said; it will provide a broader basis for the conferees to work in. We have discussed the gentleman's amendments; that is, the Members on the majority side, and the Members on the minority side, along with the staff, and we have agreed to accept the gentleman's amendments. I believe Mr. WIDNALL will verify what I am saying, that we have agreed to accept the amendments.

Mr. WIDNALL. We have accepted them.

Mr. BROWN of Michigan. I thank the gentlemen.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Then by the acceptance of the amendments the conferees have an expression of the House that they want to expand on the medium and larger loan companies which are required to get loans from the Federal Government, and that is the expression of the House as well as the Senate, but the details will be worked out in conference at the time of the conference?

Mr. BROWN of Michigan. That is correct.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendments to the committee amendments offered by the gentleman from Michigan [Mr. BROWN].

The amendments to the committee amendment were agreed to.

AMENDMENT TO COMMITTEE AMENDMENT OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL to the committee amendment: On page 13, immediately after line 17, insert:

"SEC. 207. Section 308(g) of the Small Business Investment Act of 1958 is amended (1) by inserting the paragraph designation '(1)' after '(g)', and (2) by adding the following new subparagraph:

"'(2) In its annual report for the fiscal year ended June 30, 1967, and in each succeeding annual report, the Administration shall include in its annual report, made pursuant to section 10(a) of the Small Business Act, full and detailed accounts relative to the following matters:

"'(A) The Administration's recommendations with respect to the feasibility and organization of a small business capital bank to encourage private financing of small business investment companies to replace government financing of such companies.

"'(B) the Administration's plans to ensure the provision of small business investment company financing to all areas of the country and to all eligible small business concerns including steps taken to accomplish same.

"'(C) Steps taken by the Administration to maximize recoupment of Government funds incident to the inauguration and administration of the small business investment company program and to ensure compliance with statutory and regulatory standards relating thereto.

"'(D) An accounting by the Bureau of the Budget with respect to Federal expenditures to business by Executive agencies, specifying the proportion of said expenditures going to business concerns falling above and below small business size standards applicable to small business investment companies.

"'(E) An accounting by the Treasury Department with respect to tax revenues accruing to the Government from business concerns, incorporated and unincorporated, specifying the sources of such revenues by concerns falling above and below the small business size standards applicable to small business investment companies.

"'(F) An accounting by the Treasury Department with respect to both tax losses and increased tax revenues related to small business investment company financing of both individual and corporate business taxpayers.

"'(G) Recommendations of the Treasury Department with respect to additional tax incentives to improve and facilitate the operations of small business investment companies and to encourage the use of their financing facilities by eligible small business concerns.

"'(H) A report from the Securities and Exchange Commission enumerating actions undertaken by that Agency to simplify and minimize the regulatory requirements governing small business investment companies under the Federal securities laws and to eliminate overlapping regulation and jurisdiction as between the Securities and Exchange Commission, the Administration and other agencies of the Executive Branch.

"'(I) A report from the Securities and Exchange Commission with respect to actions taken to facilitate and stabilize the access of small business concerns to the securities markets.

"'(J) Actions undertaken by the Securities and Exchange Commission to simplify compliance by small business investment companies with the requirements of the Investment Company Act of 1940 and to facilitate the election to be taxed as regulated investment companies pursuant to section 851 of the Internal Revenue Code of 1954'."

And redesignate the succeeding section accordingly.

Mr. WIDNALL. Mr. Chairman, this amendment will make sure that regular timely reports specifically devoted to SBIC's, and covering all the agencies whose activities bear on them will be given to us each year. We further want to know specifically that the Small Business Administration, the Treasury Department, the Bureau of the Budget, and the Securities and Exchange Commission are giving continued and serious thought to how the program may be made more simple, more profitable, and more productive. We want to know that they are looking at the SBIC program as an important potential tool to be used to cushion the impact of Federal money policies on small business. We want to know that they view SBIC's as the congressionally designated central approach to the problem of stable, steady small business access to the equity money market. And we specifically want to be able to view the SBIC industry's costs and benefits in the light of how small business is sharing in Federal programs, compared with what it is paying for them in taxes.

We know that SBIC's—good ones—provide their clients with more than money. They provide important management counsel. The executive branch must also provide the SBIC with more than money incentives. It must provide intelligent, thoughtful forward planning. It must anticipate the problems which the SBIC industry will face before they arise. It must provide continuity of regulation so that responsible SBIC managements will not be buried in a maze of conflicting, overlapping laws and regulations. It must provide a continually improving structure for the industry, leading to the maximum use of private capital both directly in the SBIC's capital structures, and in their capacity to borrow privately.

The reports which my amendment will require will provide us with a clear measure of the degree to which the program is being administered responsibly and well. They need duplicate nothing else; to the extent that information is given in them, it can be omitted from other

reports. Based on our experience until now, they will duplicate nothing else. Most of the information disclosed about the program in our hearings on this legislation had never been given to us before. We have made much clearer what we want, and the fact that we really want it on a current and coordinated basis. This amendment should make sure that in the future we will get it regularly, currently, and comprehensively.

It is our hope that the legislation which will finally be produced by the Senate and the House conferees will truly open a new and better period for all SBIC's. We know that the incentives provided in this program at present are not adequate to do the job. For my part, I can assure you that the minority conferees are determined to bring legislation back to the House which will make them adequate.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. PATMAN. May I state to the gentleman that the Members on the majority side are familiar with the amendment and favor it. We have examined it, along with the minority Members and the members of the committee staff on each side, and we are convinced that it is a good amendment and we would like to accept it.

Mr. WIDNALL. I thank the gentleman for his remarks.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

On page 13, line 20, add the following new title:

"TITLE III

"SEC. 301. This title may be cited as the 'Small Business Protection Act of 1967'.

"SEC. 302. The Administrator of the Small Business Administration shall conduct a special study of the impact on small business concerns of robbery, burglary, shoplifting, vandalism, and other criminal activities, with a view to determining ways in which such concerns may best protect themselves against such activities.

"SEC. 303. For purposes of the study authorized by section 302 of this title, there shall be made available to the Administrator upon request the advice and, on a reimbursable basis, the assistance of any department, bureau, or agency of the United States, including especially those having responsibilities with respect to law enforcement or criminal investigation.

"SEC. 304. The Administrator shall report to the President and to the Congress the results of the study conducted pursuant to this title, including such recommendations as he may deem appropriate for administrative and legislative action, within one year after the date of enactment of this title.

"SEC. 305. There is hereby authorized to be appropriated to carry out the purposes of this title the sum of $300,000."

Mr. PATMAN (interrupting the reading). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read, printed in the RECORD, and open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT TO COMMITTEE AMENDMENT OFFERED BY MR. HALL

Mr. HALL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HALL to the committee amendment: On page 14, strike out all of section 303 and section 305 and renumber section 304 to read "SEC. 303".

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 246]

Adair	Evins, Tenn.	Pirnie
Anderson, Tenn.	Feighan	Rees
Ashbrook	Green, Oreg.	Resnick
Ashley	Hagan	Rivers
Aspinall	Hansen, Idaho	Rumsfeld
Baring	Hansen, Wash.	St Germain
Bell	Hays	Saylor
Blackburn	Hébert	Smith, N.Y.
Brademas	Heckler, Mass.	Teague, Tex.
Clawson, Del	Herlong	Thompson, N.J.
Cohelan	McCarthy	Tiernan
Conyers	McMillan	Van Deerlin
Corman	May	Vander Jagt
Daddario	Miller, Calif.	Vigorito
de la Garza	Morton	Willis
Diggs	Multer	Wilson, Charles H.
Dorn	Murphy, N.Y.	Wolff
Downing	Nix	Wyatt
Edwards, Calif.	O'Hara, Mich.	
	O'Konski	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10409, and finding itself without a quorum, he had directed the roll to be called, when 375 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Missouri [Mr. HALL] is recognized for 5 minutes in support of his amendment.

Mr. HALL. Mr. Chairman, at the time the quorum call intervened, the amendment had been read. The amendment simply strikes section 303 and section 305, and renumbers section 304 on page 14. Therefore, Mr. Chairman, it leaves in the title—title III—section 301 as submitted by the committee as an amendment to the Small Business Administration Act and also section 302. This has been a controversial title as written.

Mr. Chairman, this has been a bill that has been considered in an easy fashion. Other amendments have been accepted and I would hope that this amendment might be accepted also. Because this is an act that we have all found to be of advantage to us in the administration of the districts which we are privileged to represent, I, for one, am for these amendments to the act and I think generally they are good.

I intend to vote for the bill whether this amendment is accepted or not. I think it has helped an awful lot. I am particularly proud of what the chairman of the Committee on Banking and Currency said in introducing these amendments to the Small Business Administration Act today about the value of the senior service corps. I have had some experience with many of these 3,000 senior executives who are advising people who participate in small business loans on these matters and certainly this is a bill that has enabled the banking people and small business to secure loans that could not ordinarily be made, and to maintain going concerns or to start new ones.

This amendment would leave the enabling act of title III. It would simply remove the $300,000 which we have all admitted and which, indeed, the Administrator admits is unnecessary.

In his letter dated August 1, 1967, to the distinguished chairman of the Committee on Banking and Currency, he says:

There seems little doubt that pursuant to the broad powers vested in it by the Small Business Act to promote the welfare of small business that the SBA is already authorized to conduct such a study.

The colloquy on the floor today has brought out that the study is already in progress.

There are already sufficient funds with which to do this.

It has been admitted on the floor, and I will say to those who have not been privileged to hear the entire debate, that there are other studies and indeed they are referred to on page 1754 of the current Congressional Quarterly which states:

The President's special advisory commission on civil disorders on August 15 appointed a 7 member panel—

This is a most high level panel—

of distinguished business executives and interested agents to prepare recommendations of that commission for action.

In the other body, the Senate Committee on Commerce held hearings in late August—we have had none—on legislation ordering the Commerce Department to investigate the insurance problems in big cities. Indeed, there is a resolution before the other body asking that the Department of Commerce further study all matters affecting small business as well as business in general, and looking particularly to possible solutions where Federal insurance programs or direct Federal insurance to inner-city areas or homes are concerned.

The statement has been made that business cannot exist without insurance. The other body's Banking and Currency Committee is holding hearings on September 14 and 15 on a bill to provide insurance to small business in riot areas. Mr. Chairman, I realize that the word "riot" is not mentioned in the report or in title III of the bill, as it now exists. But the sum total of objectives adds up to the same.

I repeat that this would still enable us to carry out the purposes and give the letter of marque or the portfolio to the Administrator of the Small Business Administration to carry out his study.

But in this day when the President is asking the Congress and asking the bureaus to hold back on the spending of money, whether it has been authorized or appropriated or not, why should we authorize additional funds for a study already in progress and already funded?

I hope that the amendment will be accepted.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

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

Mr. COLMER. I thank the gentleman for yielding to me. I just wanted to pinpoint one thing. All your amendment would do would be to strike out the provision for $300,000 which would be authorized to study the impact of riots upon small business. I wish to ask the gentleman if he does not agree with me that that is a waste of funds, that we already know the answer, and that many high-level commissions and committees are studying the matter otherwise. I cannot see any necessity whatever—I repeat what I said earlier today—for the expenditure of this $300,000 in this useless manner when we are facing a $30 billion deficit.

Mr. HALL. Mr. Chairman, I appreciate the contribution of the distinguished chairman of the Committee on Rules, and I appreciate his support. I wish to say that we are doing this in lieu of submitting a point of order, because we want to keep title II, and title III, for that matter, as far as the essence of the bill is concerned.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment. I hope that the amendment offered by the gentleman from Missouri will be voted down, because it would deprive small business of a study and an action program, desperately needed if small business in this country is going to survive.

This is not a study of the sociological causes of riots. It has nothing to do with that. It is a hard-headed, small-business-oriented study of how small businessmen can survive in a world where the large business can protect itself against burglary, robbery, and shoplifting by all kinds of elaborate electronic devices, burglary-alarm systems, closed-circuit television, and all the rest of the options not available to small businessmen. When a small businessman is burglarized, all too frequently it results in that small businessman never opening his doors again.

The purpose of this study, which is vigorously endorsed by the Small Business Administration and by the Bureau of the Budget, is to see whether, in conjunction with the other branches of the Government, particularly the Department of Justice, we cannot work out devices that will protect small businessmen against burglary and vandalism and see whether we cannot do for small businessmen in this area of vandalism and shopbreaking what we are doing for them in the area of flood insurance, where we have such a good program going, which will shortly come to the floor of this House.

The amendment offered by the gentleman from Missouri actually forbids the Small Business Administration to use the assistance of other branches of Government, such as the Department of Justice, by striking section 303. The top cost of this study will be $300,000, and it may well be that the cost will be much less, that the Small Business Administration will ask only for such an appropriation as is absolutely necessary pursuant to this $300,000 authorization. The House Committee on Appropriations will, in accordance with its practices, subject that request to a very careful and hard-headed analysis.

This provision, which is sought to be struck, was put in there unanimously by the minority and the majority members of the House Committee on Banking and Currency. There was no suggestion of this amendment, no appearance before the committee, and no testimony on it.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, the gentleman from Wisconsin made a statement which requires an explanation. I am sure that the Government agencies frequently consult with one another and exchange information without a specific authorization from the Congress for such consultation. I do not see why it is necessary for us to authorize them to talk with one another about a problem that does relate to both, or to more than one agency.

The only purpose of striking section 303, as I understand the gentleman's amendment, is to eliminate the need for SBA to get reimbursement from any other Federal agency assistance. Can they not just talk with one another and exchange information without charging one agency for that service?

Mr. REUSS. No; because the legislative history which I hope we do not make this afternoon, but which is inherent in the Hall amendment, is to strike from the bill section 303. I will read it, because some Members may not have had the opportunity to read it:

SEC. 303. For purposes of the study authorized by section 302 of this title, there shall be made available to the Administrator upon request the advice and, on a reimbursable basis, the assistance of any department, bureau, or agency of the United States, including especially those having responsibilities with respect to law enforcement or criminal investigation.

That section was put in there for a purpose, and if we strike it this afternoon, we will effectively hamstring the Small Business Administration and tell the small businessmen of America that the Congress has no interest in protecting them against the vandalism and the shoplifting and the abuse which they suffer.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield again?

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

Mr. GERALD R. FORD. Mr. Chairman, the gentleman does not believe that if this section were stricken, the head of the Small Business Administration could not call the Attorney General, or the head of the FBI, or any other law-enforcing agency of the Federal Government and get the kind of assistance that is suggested here? I cannot believe that.

Mr. REUSS. Mr. Chairman, I presume that the head of the Small Business Administration is under the impression that action by Congress is not asinine action, and that when we strike a provision which says he can request the views of other agencies, we mean something by it. Therefore, for this and for other reasons I have given, I hope the whole amendment will be voted down, and that this study may proceed.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Missouri [Mr. HALL].

The question was taken; and on a division (demanded by Mr. HALL) there were—ayes 88, noes 55.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10409) to amend the authorizing legislation of the Small Business Administration, and for other purposes, pursuant to House Resolution 913, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. PATMAN. Mr. Speaker, I demand a separate vote on the so-called Hall amendment.

The SPEAKER. The Chair will state that that was an amendment to a committee amendment; therefore, a separate vote is not in order.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 913, the Committee on Banking and Currency is discharged from the further consideration of the bill S. 1862.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. PATMAN: Strike out all after the enacting clause of S. 1862 and

insert in lieu thereof the provisions of the bill H.R. 10409, as passed, as follows:

"TITLE I

"SEC. 101. This title may be cited as the 'Small Business Act Amendments of 1967'.

"SEC. 102. Paragraph (4) of section 4(c) of the Small Business Act is amended—

"(1) by striking out '$1,400,000,000' and inserting in lieu thereof '$1,900,000,000';

"(2) by striking out '$400,000,000' and inserting in lieu thereof '$450,000,000';

"(3) by striking out '$200,000,000' and inserting in lieu thereof '$300,000,000'; and

"(4) by striking out '$100,000,000' and inserting in lieu thereof '$200,000,000'.

"SEC. 103. Paragraph (4) of section 7(a) is amended by striking out 'except that a loan made for the purpose of constructing facilities may have a maturity of ten years' and inserting in lieu thereof 'except that such portion of a loan made for the purpose of constructing facilities may have a maturity of fifteen years'.

"SEC. 104. The subsection added to section 7 of the Small Business Act by the Disaster Relief Act of 1966 (Public Law 89–769), and designated thereby as subsection (e), is redesignated as subsection (f).

"SEC. 105. Subparagraph (B) of paragraph (1) of section 8(b) of the Small Business Act is amended to read as follows:

"'(B) in the case of any individual or group of persons cooperating with it in furtherance of the purposes of subparagraph (A), (i) to allow such an individual or group such use of the Administration's office facilities and related materials and services as the Administration deems appropriate; and (ii) to pay the transportation expenses and a per diem allowance in accordance with section 5703 of title 5, United States Code, to any such individual for travel and subsistence expenses incurred at the request of the Administration in connection with travel to a point more than fifty miles distant from the home of that individual in providing gratuitous services to small businessmen in furtherance of the purposes of subparagraph (A) or in connection with attendance at meetings sponsored by the Administration;'.

"SEC. 106. Paragraph (13) of section 8(b) of the Small Business Act is amended to read as follows:

"'(13) to establish such advisory boards and committees as may be necessary to achieve the purposes of this Act and of the Small Business Investment Act of 1958; to call meetings of such boards and committees from time to time; and to rent temporarily, within the District of Columbia or elsewhere, such hotel or other accommodations as are needed to facilitate the conduct of such meetings; and'.

"SEC. 107. The subsection added to section 402 of the Economic Opportunity Act of 1964 by section 405 of the Economic Opportunity Amendments of 1966 (Public Law 89–794), and designated thereby as subsection (b), is redesignated as subsection (c).

"TITLE II

"SEC. 201. This title may be cited as the 'Small Business Investment Act Amendments of 1967'.

"SEC. 202. (a) Title III of the Small Business Investment Act of 1958 is amended by inserting immediately after section 306 the following new section:

"'*Real estate development*

"'SEC. 306A. (a) In the case of any small business investment company licensed prior to October 1, 1966, under the provisions of this Act, which has received the approval of the Administration prior to that date of its articles of incorporation or investment policy, and which by the terms and provisions of the approved articles of incorporation or investment policy is empowered to invest in (whether through loans or equity securities) real estate development oriented enterprises and activities, the Administration shall not impose any limitation, formally or informally, by regulation, order, advice or otherwise, in respect of the company's investments in real estate oriented enterprises and activities which is more restrictive than, or otherwise at variance with, the company's articles of incorporation or approved investment policy.

"'(b) No application to the Administration from any licensee referred to in subsection (a) of this section for participation in any of the programs, benefits, activities or services available to licensees under the provisions of this Act shall be denied, or participation in any program limited or withheld by the Administration for the sole reason that the investments of the applicant in real estate development oriented enterprises and activities exceed a percentage of the applicant's total investment portfolio, unless such investments exceed the percentage allowable under the applicant's articles of incorporation or approved investment policy.'

"(b) The table of contents at the beginning of that Act is amended by inserting

"'Sec. 306A. Real estate development.'

immediately after

"'Sec. 306. Aggregate limitations.'

"SEC. 203. Section 301(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"'(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration and approval or disapproval. In determining whether to approve such a company's articles of incorporation and permit it to operate under the provisions of this Act, the Administration shall give due regard, among other things, to the need and availability for the financing of small business concerns in the geographic area in which the proposed company is to commence business, the general business reputation and character of the proposed owners and management of the company, and the probability of successful operations of such company including adequate profitability and financial soundness. After consideration of all relevant factors, if it approves the company's articles of incorporation, the Administration may in its discretion approve the company to operate under the provisions of this Act and issue the company a license for such operation.'

"SEC. 204. The second sentence of section 302(a) of the Small Business Investment Act of 1958 is amended by changing '$700,000' to read '$4,000,000'.

"SEC. 205. Section 302(b) of the Small Business Investment Act of 1958 is amended by striking 'except that in no event shall any such bank hold shares in small business investment companies in an amount aggregating more than 2 percent of its capital and surplus.' and inserting 'except that in no event may any such bank acquire shares in any small business investment company if, upon the making of that acquisition,

"'(1) the aggregate amount of shares in small business investment companies then held by the bank would exceed

"'(A) 5 percent of its capital and surplus, or

"'(B) $1,000,000

whichever is less, or

"'(2) the bank would hold 50 percent or more of any class of equity securities issued by that investment company and having actual or potential voting rights.'

"SEC. 206. Section 303(b)(1) of the Small Business Investment Act of 1958 is amended by changing '$4,000,000' to read '$6,000,000'.

"SEC. 207. Section 103 of the Small Business Investment Act of 1958 is amended—

"(1) by striking 'and' at the end of paragraph (6);

"(2) by changing the period at the end of paragraph (7) to read '; and'; and

"(3) by adding the following new paragraph at the end:

"'(8) the term "venture capital" means capital supplied by the purchase of common or preferred stock or subordinated debentures as to which there is no amortization or sinking fund requirement for at least five years after issuance.'

"SEC. 208. Section 310(b) of the Small Business Investment Act of 1958 is amended by adding after the first sentence thereof the following new sentence: 'Each such company shall be examined at least once each year.'

"SEC. 209. The first sentence of section 401(a) of the Small Business Investment Act of 1958 is amended by striking out 'that are (1) eligible for loans under section 7(b)(3) of the Small Business Act, or (2) eligible for loans under title IV of the Economic Opportunity Act of 1964,'.

"SEC. 210. Section 308(g) of the Small Business Investment Act of 1958 is amended (1) by inserting the paragraph designation '(1)' after '(g)', and (2) by adding the following new subparagraph:

"'(2) In its annual report for the fiscal year ended June 30, 1967, and in each succeeding annual report, the Administration shall include in its annual report, made pursuant to section 10(a) of the Small Business Act, full and detailed accounts relative to the following matters:

"'(A) The Administration's recommendation with respect to the feasibility and organization of a small business capital bank to encourage private financing of small business investment companies to replace government financing of such companies.

"'(B) The Administration's plans to insure the provision of small business investment company financing to all areas of the country and to all eligible small business concerns including steps taken to accomplish same.

"'(C) Steps taken by the administration to maximize recoupment of Government funds incident to the inauguration and administration of the small business investment company program and to ensure compliance with statutory and regulatory standards relating thereto.

"'(D) An accounting by the Bureau of the Budget with respect to Federal expenditures to business by executive agencies, specifying the proportion of said expenditures going to business concerns falling above and below small business size standards applicable to small business investment companies.

"'(E) An accounting by the Treasury Department with respect to tax revenues accruing to the Government from business concerns, incorporated and unincorporated, specifying the source of such revenues by concerns falling above and below the small business size standards applicable to small business investment companies.

"'(F) An accounting by the Treasury Department with respect to both tax losses and increased tax revenues related to small business investment company financing of both individual and corporate business taxpayers.

"'(G) Recommendations of the Treasury Department with respect to additional tax incentives to improve and facilitate the operations of small business investment companies and to encourage the use of their financing facilities by eligible small business concerns.

"'(H) A report from the Securities and Exchange Commission enumerating actions undertaken by that agency to simplify and minimize the regulatory requirements governing small business investment companies under the Federal securities laws and to eliminate overlapping regulation and jurisdiction as between the Securities and Exchange Commission, the administration and other agencies of the executive branch.

"'(I) A report from the Securities and Exchange Commission with respect to actions taken to facilitate and stabilize the access of small business concerns to the securities markets.

"'(J) Actions undertaken by the Securities and Exchange Commission to simplify compliance by small business investment companies with the requirements of the Investment Company Act of 1940 and to facilitate the election to be taxed as regulated investment companies pursuant to section 851 of the Internal Revenue Code of 1954.'

"SEC. 211. The effective date of this title shall be ninety days after enactment.

"TITLE III

"SEC. 301. This title may be cited as the 'Small Business Protection Act of 1967.'

"SEC. 302. The Administrator of the Small Business Administration shall conduct a special study of the impact on small business concerns of robbery, burglary, shoplifting, vandalism, and other criminal activities, with a view to determining ways in which such concerns may best protect themselves against such activities.

"SEC. 303. The Administrator shall report to the President and to the Congress the results of the study conducted pursuant to this title, including such recommendations as he may deem appropriate for administrative and legislative action, within one year after the date of enactment of this title."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. PATMAN].

The motion was agreed to.

The Senate 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.

A similar House bill (H.R. 10409) was laid on the table.

AUTHORITY FOR CLERK TO MAKE NECESSARY CORRECTIONS IN PUNCTUATION, SECTION NUMBERS, CROSS REFERENCES IN THE AMENDMENT TO S. 1862

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Clerk may make any necessary corrections in punctuation, section numbers, and cross references in the amendment of the House to the bill, S. 1862.

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

There was no objection.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter and tables, on H.R. 10409, just passed.

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

There was no objection.

LOCAL 562 OF THE PIPEFITTERS UNION, ST. LOUIS, MO., FAILS TO REPORT ITS MULTISTATE DISBURSEMENTS FROM A "POLITICAL FUND"

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, on July 21, 1967, the St. Louis Globe-Democrat revealed that Local 562 Pipefitters Union, St. Louis, Mo., had failed to report its multistate disbursements from a "political fund," as required by the Federal corrupt practices law. On July 26, I initiated an inquiry with the Attorney General inquiring whether the Department of Justice is pursuing this legislative violation, to what degree, and if not, why not? I received an interim reply on July 31 and an evasive reply 2 weeks later.

Only after I suggested that the apparent reluctance to prosecute, or even investigate, was political rather than legal, did I receive a letter from the Department of Justice advising that an investigation is underway. It is significant that this letter was delivered to the House Post Office by "special messenger" on the same day that the St. Louis, Mo., Globe-Democrat called attention to the unusual delay and procrastination in responding to my query. It remains to be seen whether the announcement of the investigation is merely a device to forestall any further publicity or whether, in fact, a minimum effort is being made to prosecute a union organization which has contributed heavily to Democrat candidates to public office across the land. Mr. Speaker, at this point in the RECORD I include copies of my correspondence with the Department of Justice, and the article from the St. Louis Globe-Democrat, of September 11, 1967:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 26, 1967.

Hon. RAMSEY CLARK,
Attorney General, U.S. Department of Justice, Washington, D.C.

MY DEAR GENERAL: I would like the position of the Department of Justice, the Attorney General in particular, and all agencies (including the F.B.I.) under your control, re St. Louis Steamfitter Local 562 and its alleged $80,000 in gifts for political campaigns in 1964 on which reports have never been filed in accordance with existing law.

I would particularly like to know whether or not your investigations confirm the fact that $10,000 went to the campaign of the Junior Senator from New York, and whether $52,000 was donated to the Presidential campaign prior to the election in that year.

Furthermore, I would like to know whether or not any reports have been filed, or any action has been taken by the Department in prosecution of ex-convict Lawrence L. Callanan, or other "officers" of Steamfitter Local 562.

In short, Mr. Attorney General, I am anxious to know if the Department of Justice is pursuing legislative violations in this instance, to what degree, and if not, why not?

Respectfully submitted.

DURWARD G. HALL,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, August 9, 1967.

Hon. DURWARD G. HALL,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: This is in further reference to your letter dated July 26, 1967, concerning the St. Louis Steamfitter Local 562.

Certain activities of this union have been the subject of a grand jury inquiry which has resulted thus far in the perjury indictment and conviction of one Hugh James Gorham, a member of Local 562. The grand jury is scheduled to resume its inquiry on September 12, 1967.

Sincerely,

FRED M. VINSON, Jr.,
Assistant Attorney General.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 11, 1967.

Mr. FRED M. VINSON, Jr.,
Assistant Attorney General, Department of Justice, Washington, D.C.

DEAR MR. VINSON: Thanks for your letter of August 9th in reply to my inquiry of July 26th concerning St. Louis Steamfitter Local 562.

I regret your reply seems somewhat evasive, or at least fails to respond to my inquiry. The Conviction of Hugh James Gorham involved an insurance scandal and had nothing to do with the political contributions cited in my letter and reported by the St. Louis Globe Democrat.

I believe the Grand Jury, to which you refer, will convene in South Bend, Indiana. There is nothing in your letter to indicate that the St. Louis political contributions, and the failure to report them as required by law are a subject matter for the inquiry.

I would appreciate your further comments and clarification.

Sincerely,

DURWARD G. HALL,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, D.C., September 8, 1967.

Hon. DURWARD G. HALL,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: This refers to your letter of August 11, 1967, seeking clarification of my letter of August 9.

The Department of Justice is investigating allegations of possible violations of the Federal Corrupt Practices Act by Local 562, Pipefitters Union, St. Louis, Missouri.

In view of this it would not be appropriate for me to comment upon the details of your letter of July 26.

Sincerely,

FRED M. VINSON, Jr.,
Assistant Attorney General.

[From the St. Louis (Mo.) Globe-Democrat, Sept. 11, 1967]

UNITED STATES CHECKING POLITICAL SPENDING BY STEAMFITTERS—INVESTIGATION WAS PRESSED BY REPRESENTATIVE HALL

(By Al Delugach and Denny Walsh)

The U.S. Department of Justice is investigating the failure of the St. Louis steamfitters to report their coast-to-coast political spending.

In a letter to Rep. Durward G. Hall (Rep.), of Springfield, Mo., Fred M. Vinson, Jr., assistant attorney general in charge of the criminal division confirmed that the probe is underway.

The letter is the fourth in a series of correspondence between the congressman and the Justice Department since The Globe-Democrat revealed July 21 that the steamfitter political fund's failure to report its multistate disbursements is in violation of the federal corrupt practices law.

ACCOUNTING REQUIRED

The law requires regular accounting from any group which collects or expends campaign monies in two or more states.

The department's reluctance to tell Rep. Hall what it intends to do about the situation was reported in Friday's Globe-Democrat.

Saturday morning Mr. Vinson's letter, dated Friday, was delivered by special messenger to the building in Washington, D.C., which houses the Representative's office. It reads:

"This refers to your letter of Aug. 11, seeking clarification of my letter of Aug. 9.

"The Department of Justice is investigating allegations of possible violations of the federal corrupt practices act by Local 562, Pipefitters (Steamfitters) Union, St. Louis, Mo.

"In view of this, it would not be appropri-

ate for me to comment on the details of your letter of July 26."

Indications have been that the department is anything but anxious to prosecute the rich steamfitter fund, which has enriched the campaigns of so many Democratic office seekers on the local, state and federal levels in years past.

In the July letter, addressed to Attorney General Ramsey Clark, Rep. Hall, after citing certain details of steamfitter political spending, reported by The Globe-Democrat, asked "if the Department of Justice is pursuing legislative violations in this instance, to what degree, and if not, why not?"

CALLED EVASIVE

Mr. Vinson's Aug. 9 reply to this letter was considered "evasive" by the congressman, and he sought further comments and clarification in a letter to the assistant attorney general on Aug. 11.

In a statement issued Thursday, Rep. Hall blasted the department for its long silence following his last inquiry and strongly suggested that the motives underlying this apparent reluctance to prosecute may be political rather than legal.

A GREAT STEP FORWARD IN SOUTH VIETNAM

Mr. HICKS. 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. HICKS. Mr. Speaker, it seems to me that a great step forward has been taken in South Vietnam. It certainly is a step toward that country's self-determination. I most earnestly hope that it turns out to be the deciding step toward peace, and we must take every care to nurture this prospect.

I refer, of course, to the recent presidential election there. As one of those who was skeptical about the prospect of a really honest and representative election, the event itself and its results are very reassuring to me. In the fact of a supreme terrorist campaign on the part of the Vietcong, which saw more than 2,000 civilians killed or maimed or kidnapped to drive voters away from the polls, a greater percentage of eligible voters exercised their franchise than in any American election in history. A full 83 percent of the eligible South Vietnamese voters registered their preferences at the polls.

It would seem to me, Mr. Speaker, that this proof that the people of South Vietnam really want to choose their own destiny and are able to do so in the face of such adversity, strongly indicates that we have reached a turning point in South Vietnam.

My understanding of our commitment is that we are in South Vietnam to prevent the takeover of that country by terror, subversion, and military force, supported from outside the country, and to establish stability under which the people could choose their own way of life and their own government. This to me is a legitimate goal.

Through our vast efforts we have prevented the takeover of the government by the Communists. And the results of the election, the response of the electors, show that we have established stability for this first great step and thus laid the groundwork for further steps.

It gives us the initiative, Mr. Speaker. And by "us" I mean the United States and South Vietnam. If we use this initiative wisely, we will keep it.

The newly elected president of South Vietnam, Nguyen Van Thieu, has voiced a strong desire to negotiate peace. If such negotiations mean a pause in bombing of the north, he has indicated he will ask for such a pause.

This is the initiative to which I referred, Mr. Speaker. This is the possibility, this prospect for peace negotiations, which we must not let slip past.

It has been my unwelcome impression over the past months that both North Vietnam and the United States have become increasingly inflexible in their stands regarding negotiations. I believe here is an opportunity for both sides to lessen that inflexibility, to let the thin end of the wedge be inserted for peace, so to speak. With the new element of a popular South Vietnamese Government now in the picture, it would seem evident that both sides can loosen up a little without either losing face, which seems so important to North Vietnam—and perhaps to the United States, too, since in this case we are forced to think somewhat on oriental terms.

At this turning point, I believe we must first insist that President-elect Thieu remain firm in his peace-seeking efforts and assist him by every feasible and honorable means to find his way to the negotiating table, and second, maintain the stability that exists at the present time.

That second requisite will mean some delicate balancing for a time, no doubt. For we must keep up the pressure on the enemy so he does not think we are softening to the point of surrender, but we must not increase that pressure to the point at which he will not negotiate.

I do not believe we should escalate the war any further. It has not worked in the past, and it would be even less helpful in this new situation.

In short, Mr. Speaker, this postelection time would seem to be a time for negotiation, not escalation. A real opportunity for peace seems to exist now, and to pass it up would be tragic. The sooner we can get out of the business of war and get down to the business of solving the pressing problems at home, the better for the country and for the world.

JAPANESE AMERICAN CITIZENS LEAGUE HAS RICH CHICAGO BACKGROUND

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it was the happy distinction of the Second District of Illinois, which I have the honor to represent, at one time during my representation of the district in the Congress to number among its residents more Japanese Americans than any other district in the entire Nation. They were a large and valued part of our community and all its cultural and social activities. Mary Ono, of my staff, was the first Japanese American congressional secretary. Furthermore, Mary Ono's husband, Harry Ono, was a veteran of the famed and immortal 442d Regimental Combat Team. These proud circumstances have brought me into close association with my Japanese American fellow countrymen and have enriched me with warm and affectionate friendships with many in that group, including Mike Masaoko, tireless, brilliant, and beloved representative of the Japanese American Citizens League in Washington and a key figure in its national organization. To him I am indebted for the following account of the tragic events of 25 years ago that led to the formation of the League and of the League's history in Chicago in the intervening years:

The year 1967 marks the 25th anniversary of an unprecedented event in American history—the evacuation of 110,000 Japanese Americans from their homes on the West Coast to camps in the remote interior parts of America. This was the result of a certain type of misguided but prevalent thinking which held that racially similar people are axiomatically of similar minds.

From the moment of the attack on Pearl Harbor by Japan, every person of Japanese ancestry in the United States became suspect as a potential collaborator with the enemy. Although time and courageous action on the part of Japanese Americans have helped to disprove this unjustified opinion, much suffering and discouragement are embodied in the history of Japanese Americans in the past 25 years.

Standing in the forefront from the beginning of this trying period was the Japanese American Citizens League, literally crying in the wilderness in the name of justice for Japanese Americans. As the only nationwide spokesman for the group, the Japanese American Citizens League (commonly referred to by its initials—JACL) worked tirelessly with legislators, community leaders, and business firms in all parts of the nation to regain citizenship rights for all persons of Japanese descent living in the United States.

At its 7th biennial Eastern and Midwestern District Council Joint Convention held in Chicago, September 1–4, 1967, the JACL was able to look back on a quarter of a century of outstanding accomplishment in behalf of equality and justice for Japanese Americans. Indeed, even to the leaders of JACL, the respect which Japanese Americans enjoy in American society today seemed but an impossible dream 25 years ago.

The Japanese American Citizens League is gratefully cognizant of the great help which was given to them by many fair-minded Americans over the years. This includes many members of the U.S. Congress, state legislators, business concerns who hired evacuees in the face of adverse public opinion, religious groups which were in the forefront of neighborly concern, and the thousands of so-called average Americans in various communities whose compassionate help proved to be the key to successful readjustment in American life for many Japanese Americans. To these true American friends, the Japanese American Citizens League can give but inadequate thanks.

As a token of its gratitude, similarly felt by Japanese Americans throughout the nation toward the various communities in which they have been accepted, the Chicago Japanese American community used the op-

portunity of the 7th Biennial JACL Eastern and Midwestern District Council Joint Convention to present to the city of Chicago a gift of 1,000 flowering trees to be planted in Lincoln Park. It is hoped that this gift will flourish as a symbol of good-will and appreciation from the Chicago Japanese American community to the people of Chicago whose hospitality and sense of fair play have helped all persons of Japanese ancestry to attain their present stature in the community.

The history of Japanese Americans in the Chicago area actually goes back to the 19th century. In the 1880's there were two officially listed residents. This number grew to about 300 prior to World War II. Among the outstanding early residents were Dr. Isamu Tashiro, a dentist, who devoted much of his life to cementing Japanese-American relations; Franklin Chino, an attorney; Harry K. Shigeta, an internationally known photographer; S. H. Mori, curator for the Spaulding Collection of Oriental art which was later given to the Boston Museum; and Charles Yamasaki, now 92 and the oldest living native resident of Japanese ancestry in the Chicago area. These pre-war residents were of invaluable help in the subsequent resettlement of thousands of evacuees.

The first persons to arrive in Chicago after the mass evacuation from the West Coast were two students who were accepted at the University of Chicago in 1942. This preceded the relocation of over 4000 students who were placed in various colleges and universities in the East and Midwest under the auspices of the National Japanese American Student Relocation Council.

In 1943, the War Relocation Authority, a group set up by the government to help in the resettlement of Japanese Americans in various parts of the country, opened its Chicago office. This was the beginning of the mass relocation of Japanese Americans into the Chicago area which reached a peak of about 30,000 in the period between 1948 and 1952. Today, there is an estimated 15,000 Japanese Americans in the whole of the Metropolitan area.

During the early resettlement period in 1943, hostels were opened by the Church of the Brethren and the American Friends Service Committee to receive evacuees before they found permanent quarters. Hostels were also opened by the Japanese Mutual Aid Society, a self-help group in existence from before the war, and by Kohachiro Sugimoto, one of the early Issei (or first generation Japanese) to choose relocation in Chicago. Many religious groups aided the evacuees in both spiritual and material ways during this period. Although businesses were reluctant at first to risk the hiring of evacuees due to adverse public opinion, this fear was overridden when it was discovered that evacuees were on the whole extremely hard-working and conscientious. This was a difficult time and much credit is due to those businesses which first opened their doors to Japanese Americans in the face of criticism and suspicion.

The Japanese American Citizens League had, in the spring of 1942, opened its Midwest Regional Office in Chicago under the direction of Dr. Thomas Yatabe, a dentist who gave up his practice to carry on the work of the JACL at this crucial time. With the dedicated leadership of Dr. Yatabe, the JACL undertook a public relations job of enormous dimensions throughout the Midwest. The office became the clearing house for all housing and employment contacts with the community. Representatives went out to various business, civic and educational groups to build up a climate of acceptance for Japanese Americans. For this gigantic project a grant of $5000.00 was made by the Carnegie Endowment Fund to the JACL. The grant was used well by tireless workers in opening doors to housing and employment for the evacuees. Many stories can be told of the discouraging resistance initially met by these dedicated men of JACL. This was a period when the war was still raging in the Pacific.

The Chicago Chapter of the JACL was formed in 1945. This is one of eight chapters in the midwestern region which to this day carries on its work of citizenship education and legislative action in the Chicago area. In the same year, the Japanese American Service Committee (then called the Chicago Resettlers Committee), a social service agency, was formed. These two agencies became the center of Japanese American activity in Chicago during the ensuing years.

In 1946, a testimonial banquet for returning veterans of the famed 442nd Regimental Combat Team, a unit composed entirely of Japanese Americans, was held in cooperation with all Japanese groups in the area.

This marked the beginning of unusually harmonious community relations among the various groups which is a distinct earmark of the Chicago Japanese American community. The reputation of the courageous men of the 442nd Regimental Combat Team, the most decorated unit in the U.S. Army during World War II, was also beginning to reach the ears of the community at large. Today, the core group of the American Legion Post #1183 in Chicago is made up largely of these veterans. This group organized the Nisei Ambassadors, a drum and bugle corps made up of young Japanese Americans, whose high achievement has been praised wherever they have performed.

The following years, although marked with some notable discouragements, was a period of general progress for Japanese Americans in Chicago. As their reputation as conscientious and loyal workers grew, more and more businesses opened their doors to them. Today, Japanese Americans can be found in almost every field of endeavor in Chicago at all levels of responsibility from executives to factory workers. Most notable contributions are being made in the fields of architecture, advertising, the arts, education and the sciences.

A great boost to the attainment of first-class citizenship was given when rights to become naturalized citizens, hitherto denied them, were given to persons of Japanese ancestry in 1952. The National JACL, through its Washington, D.C., office under the able leadership of Mike Masaoka performed a herculean task in working for legislation which corrected this long-standing inequity. Since 1953, almost 2000 persons have been naturalized in the Chicago area alone, many of them in their 60's, 70's and 80's. One intrepid lady was 96 years old when she became an American citizen.

Although JACL today continues its work of citizenship education and the correction of remaining problems related to Japanese Americans in the fields of naturalization, alien deportation, evacuation claims and immigration, the organization sees its part in the total picture of human rights for all Americans. With the experience learned as a minority group in America, the JACL is in an unusual position to expand its work toward the attainment of equal opportunities for every citizen of the United States. To this end, work is being carried forth on both the national and community levels toward further involvement in meaningful civil rights activities.

It is also significant that the new Ambassador of Japan to the United States, the Honorable Takeso Shimoda, was the principal speaker at the 7th Biennial JACL Eastern and Midwestern District Joint Convention. It is symbolic of the growth of the Japanese American Citizens League from a relatively narrow self-interest group to one with international interests and concerns. Japanese Americans are playing an immeasurable role in promoting understanding between the two nations.

At the National Convention of the Japanese American Citizens League to be held in Chicago in 1970, it is hoped that further great progress can be reported toward the fullest implementation of the slogan of the Japanese American Citizens League—"For better Americans in a greater America".

FORMER PAST NATIONAL PRESIDENTS FROM THE CHICAGO AREA

Dr. Thomas Yatabe, 1934–1936.
Dr. Randolph Sakada, 1950–1952.
Shig Wakamatau, 1958–1960.
Kumeo Yoshinari, 1964–1966.

CHICAGO CHAPTER PRESIDENTS

Bill Minami, 1945.
Noboru Honda, 1946.
Jack Nakagawa, 1947.
Mari Sabusawa, 1948.
Shig Wakamatsu, 1949–1950.
Ron Shiozaki, 1951.
Abe Hagiwara, 1952–1953.
Kumo Yoshinari, 1954–1955.
Dr. Frank Sakamoto, 1956–1957–1958.
Hiro Mayeda, 1959–1960.
Joe Sagami, 1961–1962.
Mark Yoshizumi, 1963.
Lincoln Shimidzu, 1964–1965.
Henry Terada, 1966–1967.

TUSCALOOSA, ALA., TEAM WINS AMERICAN LEGION BASEBALL TITLE

Mr. SELDEN. 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 Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, last week, while the House of Representatives was in recess, the "world series" of American Legion baseball was held in Memphis, Tenn., and I am pleased and proud to advise my colleagues in the Congress that the new national champions are from Tuscaloosa, Ala. The Tuscaloosa champions represented the Farley W. Moody Post No. 34 of the American Legion. The commander of Post 34 is Mr. J. R. Moman, of Tuscaloosa.

Before competing for the national championship, the Tuscaloosa team won the Alabama and region 3 titles. The young men from Alabama defeated a strong and determined team from Northbrook, Ill., in winning the championship.

Mr. Speaker, congratulations are in order for the Post 34 players, Manager Jerry Belk, and Coaches Jones Tubb, Mike Griffin, and Joe Hutt. The roster of the Post 34 team includes: Bobby Jones, Johnny Rushing, Wayne Rushing, Bo Baughman, Danny Morrison, Woody Sexton, Johnny Kersh, Marlin Homan, David Elmore, Randy Ryan, Glenn Woodruff, Perry Yawn, Mike Innes, Carl Wright, Larry Norris, and Marvin Herring.

Mr. Speaker, the following editorial from the Thursday, September 7, 1967, issue of the Tuscaloosa News expresses the pride of all Alabamians in this outstanding group of young men:

POST 34 CHAMPS DUE PUBLIC HONOR

Honor has come to Tuscaloosa again in a sports event with the Post 34 team winning the national American Legion baseball championship.

Interest in the Post 34 team has been high this year, for a year ago the team representing the local Post lost in the championship

game. From that tournament, Tuscaloosa obtained national recognition as Bill Parker was named the outstanding player.

This year the team wasn't expected to be as strong as last year's. But the young men who played this year included a number who were on last year's runner-up outfit and they were determined to go all the way.

And that is what they have done. Relying mainly on superb pitching, the Post 34 team won the national championship.

There is a line in a song from the musical comedy, "Damn Yankees" which says, "You've got to have heart, miles and miles of heart." The courage and determination of this year's national American Legion champions bore that out.

Congratulations are in order for those who participated on the national championship team. And no small round of applause is due to Jerry Belk, the team's manager-coach. It must be extremely gratifying to him to see these young men come on to win the title, and a great deal of credit for their achievement belongs to him.

National championships are not new in these parts since we are blessed with Alabama's Crimson Tide. But this is a homegrown team that has brought a No. 1 honor to Tuscaloosa.

It would be entirely fitting and proper for Coach Belk, his assistants and the members of the American Legion champions to be given the honor they justly deserve from a proud and grateful city and its civic leaders.

In two successive years these Post 34 representatives have brought to Tuscaloosa a tremendous amount of public recognition and acclaim. And it should not be overlooked that these young men have won the admiration and respect of fans and people in the cities where they have participated in the national tournaments not only for their ability on the playing field but for the way they conducted themselves when not in uniform.

VIETNAM'S ELECTIONS: AN EXPERIMENT IN DEMOCRACY

Mr. OLSEN. 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 Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, President Johnson has called the Vietnamese elections more important than any military engagement. I think he is right. And I also think the Communists agree with him.

The Communists, as the Hartford Courant points out, saw the elections as so important "and so detrimental" to their cause that—

> They staged an all-out campaign of violence . . . to thwart the polling. But, though the Vietcong killed, injured or kidnapped 2200 persons, this terror did not prevent some 80 percent of the South Vietnam population from voting just the same.

The Courant notes that this election "has been another step in the democratizing of a people who have lived far too long under assorted dictatorships."

The election in Vietnam is a major step toward the freedom and security we seek for that wartorn country. It is a matter of pride, not only for the people of South Vietnam, but also for the American people, who have invested so much to help South Vietnam enjoy the blessings of freedom and peace.

I insert into the RECORD this timely and excellent editorial from the Hartford Courant:

VIETNAM: EXPERIMENT IN DEMOCRACY

It had been predicted from the outset that the Thieu-Ky ticket would win the elections in South Vietnam, and now this prophecy apparently has been borne out. The military party headed by the Chief of State and Premier, who now become President and Vice President, obviously had things going for them, of course. Too obviously, we will doubtless be reminded by opposition civilian candidates in post-election criticism. The junta that had been running South Vietnam for two years had a natural advantage as the party in power, and used it to win votes and influence people. But this is hardly illegal or different than anywhere else.

As a matter of fact, it appears to be the consensus of foreign observers that though the elections may not have been stainless, they were not fraudulent. In addition, the real test of what happened during the campaigning and at the polls does not end with the voting. The military ticket has made a number of promises both to the electorate and the friends and allies of Vietnam, that have been encouraging. If they keep them as they head up the incoming government, their own credibility and that of the elections will certainly be enhanced. Thus the true worth of the election still lies ahead, and Messrs. Thieu and Ky have a plain and important opportunity to show that they and their party deserved the vote that has put—or kept—them in office.

But in any event, something vastly important has happened in Vietnam in principle. President Johnson called the elections more important than any military engagement. The Communists saw them as so important—and so detrimental—to their cause that they staged an all-out campaign of violence during the last fortnight to thwart the polling. But though the Viet Cong killed, injured or kidnaped 2,200 persons, this terror did not prevent some 80 per cent of the South Vietnam populace from voting just the same.

What has been going on has not been just the election of a President, Vice President and 60 senators. It has been another step in the democratizing of a people who have lived far too long under assorted dictatorships. With the writing of a constitution, and other elections still to come, the process will be further advanced, and with it the legitimatizing of the Saigon government. The domestic and international positions of South Vietnam will be strengthened and given prestige. And the war effort should gain support through such national consciousness as the election has engendered. The South Vietnamese are nearer than ever before toward having a country to work for.

Actually, this effort may also become a peace effort. The campaigning of the last month has uncovered widespread desires for an end to the war among the grass-roots in Vietnam, and the junta candidates have promised to try to bring about negotiations with Hanoi. While the chances of these efforts bearing fruit do not seem large, they should and apparently will be undertaken. If they succeed, it will be a world-welcomed miracle. If they don't the new government will at least have tried and should win further support on that account. In any event, these elections have been a historic event in South Vietnam, and the free world may hope for that country many further steps in democratic nationhood.

POLL OF RESIDENTS OF NINTH CONGRESSIONAL DISTRICT OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a poll tabulation.

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

There was no objection.

Mr. BROYHILL of North Carolina. Mr. Speaker, during the past several months, I have been conducting a poll of public opinion on a number of issues before the country today.

The tabulation of this poll is now complete and I wish to call the attention of the House of Representatives to the views that have been expressed to me by the residents of the 11 counties of the Ninth Congressional District of North Carolina. These results are based upon responses from 8,569 residents of the district and represent a very large sample of the population of this area of the State. They represent not only the views of individual citizens but of various social and economic groups as well.

Unfortunately, the statistical results of this survey cannot reflect more than general categories of approval or opposition to the questions in the poll. The thousands of comments explaining individual views have been very useful to me in my efforts to represent the people of the district. In these brief remarks today, I shall also try to summarize the main lines of these comments since they also augment and clarify the feelings expressed about these issues.

It comes as no surprise that the most dominant issue in the poll is the war in Vietnam. Obvious, too, is the fact that preoccupation with the war greatly influences attitudes in the ninth district about other issues involving both domestic and foreign policy. The mounting casualty lists, the cost of the war, and the apparently conflicting reports about the progress if the conflict are inspiring a number of basic questions about our Vietnam policy in western North Carolina. Policies that may result in a long war of attrition in Southeast Asia are causing strong dissatisfaction. In the poll, 75.9 percent answered "no" to the question about whether the United States should stop the bombing of North Vietnam. Although this appears to support a so-called "hawkish" position on the conduct of the war, comments have made clear that the attitude on the question of the bombing is largely dictated by a growing impatience with our commitment in Vietnam and a general "win or get out" philosophy.

Second only to the war effort, the poll indicated a deep concern about the fiscal policies of the Federal Government and strong opposition to the President's call for increased income taxes for individuals and corporations. A total of 85.6 percent disapproved the President's plan. A principal and often-expressed complaint contends that the Nation's financial problems stem less from military costs than from spending for costly new domestic programs.

The most severely criticized domestic program in the comments from the ninth district was the President's war on poverty. The poll showed 85.7 percent opposed increases in funds for this program.

For the first time in this series of polls during the past 5 years, considerable

doubt has been expressed about the social security program. Strong opposition to increasing the public welfare orientation of the program was evident. Young people were particularly strong in their remarks opposing increases in social security taxes as they indicated a belief that their contributions to the social security fund would greatly exceed the benefits they could anticipate at retirement age. In the poll, social security increases supported by increases in social security taxes were opposed by 60.6 percent of those responding.

Among other issues where the poll showed strong trends in the district's thinking was opposition to the seating of ADAM CLAYTON POWELL in the House of Representatives. With only 4.6 percent undecided, disapproval ran to 90.1 percent. More than 83 percent favored Federal legislation to deal with strikes that threaten the national interest. The proposed Federal law to prohibit racial discrimination in the sale and leasing of housing was opposed by 78.8 percent in the poll. A total of 74.6 percent supported the question of amending the Constitution to abolish the electoral college to provide for the direct election of Presidents and Vice Presidents. The proposal to require merchants and lenders to advise customers about the cost of credit and installment buying was favored by 77.8 percent of the people expressing themselves in the survey.

COMPLETE TABULATION OF THE POLL

	Percent		
	Yes	No	Undecided
1. Would you support statehood for Puerto Rico?	40.6	34.8	14.6
2. Would you support reductions in American troop strength in Europe?	55.3	33.0	11.7
3. Do you believe the United States should stop bombing of North Vietnam?	12.6	75.9	11.5
4. Should we expand trade with the Soviet Union and the countries of Eastern Europe?	34.5	48.8	16.7
5. Do you favor the President's request for an income-tax increase?	8.6	85.6	5.8
6. Are you in favor of changes in the draft to establish a lottery system and discontinue student deferments?	41.2	47.3	11.5
7. Do you favor civil rights legislation to prohibit racial discrimination in the sale and leasing of housing?	14.2	78.8	7.0
8. Do you favor increases in social security benefits supported by increases in social security taxes?	32.6	60.6	6.8
9. Do you believe legislation is needed to deal with strikes that threaten the national interest?	83.2	12.5	4.3
10. Should the Federal Government be given greater authority to regulate the sale and shipment of firearms?	44.7	45.5	9.8
11. Should spending for the war on poverty be increased?	8.0	85.7	6.3
12. Should Adam Clayton Powell be seated in the House of Representatives?	5.3	90.1	4.6
13. Should the Constitution be amended to abolish the electoral college so that Presidents and Vice Presidents would be elected by direct popular vote?	74.6	16.2	9.2
14. Should the Federal Government expand economic support of educational television?	27.7	57.4	14.9
15. Would you support a program of Federal aid to States and local governments to combat crime?	59.7	29.9	10.4
16. Should there be a Federal law requiring lenders and merchants selling on credit to give customers information on actual credit costs?	77.8	11.8	10.4

APPOINTMENT OF MEMBERS TO THE GOLDEN SPIKE CENTENNIAL CELEBRATION COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 90–70, the Chair appoints as members of the Golden Spike Centennial Celebration Commission the following Members on the part of the House: Mr. ROGERS, of Colorado; Mr. MOSS, of California; Mr. BURTON, of Utah; and Mr. BROTZMAN, of Colorado.

TRIBUTE TO THE MEMORY OF THE LATE DR. JOHN L. TAYLOR

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] 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 Ohio?

There was no objection.

Mr. BERRY. Mr. Speaker, it is with a sad heart that I join my colleagues in paying tribute to the memory of a good friend, Jack Taylor. His passing is a real personal loss.

Since he joined the Interior Committee staff in 1953, I worked closely with him on many pieces of major legislation, including statehood for Alaska and Hawaii.

His knowledge of Indian legislation was vast, and in my capacity as ranking Republican on the Indian Affairs Subcommittee, I called upon him with great frequency for advice and assistance. It was always given cheerfully and accurately.

Dr. Taylor was one of the most effective and efficient men I have known. Not only was he a man who had great respect for his work and his position, but he was a family man whose first thoughts were always of his wife and children. A great scholar, a loving husband and parent, his passing leaves a void that will be difficult to fill.

I join with other members of the House Interior and Insular Affairs Committee who have known this man so well for so long in extending our sincere sympathy to his wife and family on the occasion of their great bereavement.

NATIONAL CAPITAL VISITORS CENTER IS PROPOSED

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. KLEPPE] 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 Ohio?

There was no objection.

Mr. KLEPPE. Mr. Speaker, I have today introduced in the House a bill to establish a National Capital Visitors Center here in Washington, D.C. I have long been concerned with the growing congestion in the metropolitan area, with the resulting inconvenience to both the residents of this city, and the millions of visitors that arrive every year at this mecca of America. I have looked forward with anticipation to the report of the Commission that was set up to study the need for such a center, and am hopeful that the Congress will enact legislation making the plan a reality in the near future.

As proposed, the National Capital Visitors Center would provide a better organized transportation system between the many historic sites in the area. It would also provide visitors with the ease and convenience of having at their disposal a focal point to plan their vacations in the Capital. Without some such focal point within the city, many visitors remember our Capital as a place where the monuments were too spread out; where ground transportation between points was insufficient; where what transportation there was, was congested and inconvenient; and where the parking and parking tickets were a problem. These problems will be minimized once the National Capital Visitors Center is in operation.

I have no doubt that once the National Capital Visitors Center becomes a reality, more visitors will come to Washington, their stay will be more enjoyable—and probably extended, and they will leave with only a heightened impression of the Nation's Capital—both as a national historical center, and as a modern and organized city.

"A TRIBUTE FROM A FRIEND"—DEDICATED TO AUDREY B. McCLORY

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

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

There was no objection.

Mr. ARENDS. Mr. Speaker, there are no words by which I can adequately express to our distinguished colleague, BOB MCCLORY, the sympathy we feel in the loss of his wife, Audrey. We who knew her share his loss in no small measure.

Audrey McClory was a truly extraordinary woman. To know her was to understand that to her husband she was more than a wife and mother, more than a housekeeper and hostess, and more than a partner and companion. She was a woman of many talents and an inspiration to her husband and their children.

Under leave to extend my remarks I am inserting in the CONGRESSIONAL RECORD an article entitled "A Tribute From A Friend", dedicated to Audrey B. McClory. I wish all not privileged to know

her personally to have the privilege to know about her:

A TRIBUTE FROM A FRIEND

"This is a wonderful time of our lives to be living here," Audrey McClory said to a visitor recently.

Representative Robert McClory's wife, who died Sunday in Washington, was referring to the McClory's handsome Washington town house a few blocks from the Capitol and the Supreme Court. It was a remark typical of her zest and adaptability to life.

It was a home in which she could, and did, entertain graciously.

But the Washington meaningful to Audrey McClory was not the Washington of the society pages and the cocktail circuit.

She most enjoyed small groups where she could get to know people. She was warm and friendly but not gregarious. The nonsectarian Congressional Wives Prayer Group was important to her, and it met frequently in the McClory home.

Through another small women's club—a writing group of Congressional and Senatorial wives—she discovered and worked at a new talent. She was pleased and proud that she had finished 10 chapters of a book she tentatively titled "The Seedlings."

"It began one way" she would smile, "but it ended up being autobiographical."

She read not only the newspapers, but journals of writing. A charming, small room in the McClory's townhouse "sold" her the home she said. It is a study furnished with some of the antiques she cherished. And since her husband had his office, this, she said, was her "office."

This, in other words, would be the center of the creative part of her life that was her's alone.

There are many official functions to which Congressmen and their wives must go and many people they must meet. But for her the women in her writing and prayer groups became her closest friends.

Audrey McClory was enormously proud of her husband's career. A great asset to her was living close enough to the Capitol so that when he was to speak on the Floor of the House of Representatives, she could hasten over, sit in the gallery and listen.

Mr. McClory is a Member of the Inter Parliamentary Union, an organization of legislators from all over the world, even the Soviet Union, which meets twice a year for discussions aimed at promoting understanding.

Audrey McClory took to these meetings as much in her way as her husband. Partly because of her knowledge of French but more because of her interest in others, McClory praised her as a great asset as such sessions held in such diverse places as Canberra, Australia; Copenhagen, Denmark; and Tehran, Iran.

She loved tennis and went snorkling and skiing with her husband and sons. She talked with great pride of her husband's accomplishments and with undisguised love of her daughter, her two sons and her three grandchildren. But Audrey McClory was also a very important person herself—alert, concerned, interested, and sensitive, she had a bedrock faith in integrity and what to her was right.

"The Seedlings" remains unfinished. But the philosophy of Audrey McClory is complete. To her, without honor and decency there was nothing. And for her, life was full.

SOCIAL SECURITY AMENDMENTS

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CONABLE] 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 Ohio?

There was no objection.

Mr. CONABLE. Mr. Speaker, as a member of the Ways and Means Committee I was gratified by the overwhelming support which the House gave to the social security legislation reported last month by our committee. It was a comprehensive bill containing significant amendments for the social security and welfare programs. I have noticed some of the amendments are now being sharply criticized before the Senate as severe and heartless. However, I think it is significant that the legislation has received strong endorsement from the major newspapers in western New York, an area greatly affected by the legislation. These publications represent diverse viewpoints, but they are agreed on the necessity and equity of the House-passed amendments.

I believe it would be instructive to have representative editorials from these papers reprinted in the CONGRESSIONAL RECORD. I submit editorials from the Rochester Times-Union and the Buffalo Evening News and can state that the Buffalo Courier-Express and other area newspapers have also expressed similar views in their editorials:

[From the Rochester (N.Y.) Times-Union, Aug. 15, 1967]

GOOD CHECK ON MEDICAID COST

At long last, there is a solid chance that Congress will rescue the taxpayers from the folly of runaway Medicaid.

The powerful House Ways and Means Committee has just approved an omnibus package of Social Security amendments. Among them is a sensible ceiling on federal aid to states like New York which have established Medicaid eligibility standards at unreasonably high levels.

Some 30 states now have set up Medicaid programs under Title 19 of the 1965 Social Security Act, which also authorized Medicare for the elderly.

"While most of the state plans raise no question at this time," the committee reported with an accusing finger leveled between the lines at New York, "a few go well beyond . . . what the committee believes to have been the intent of Congress."

The committee deplored the effects of such generosity with taxpayers' money in supplanting private health insurance and in reimbursing medical expenses of "a considerable portion of the adult working population of moderate income."

As the highly respected committee chairman, Wilbur D. Mills (D-Ark.), put it:

"Because the states are projecting programs that will ultimately cost the federal government around $3 billion a year, we think it's high time for us to get a degree of reasonableness into the law."

The committee would achieve this, basically, by limiting the 50 per cent federal reimbursement of state-local Medicaid spending only to those families whose incomes are no more than one-third above the average state welfare payment under Aid to Dependent Children programs.

The committee figures this income maximum in New York at about $4,400 annually for a family of four, after taxes and any payments for health insurance premiums. New York now sets the maximum at $6,000 for a family of four.

To ease the transition in states like New York which have set higher income eligibility standards, the limit on federal aid would start at a slightly higher level for them and drop to the basic standard in 1970.

Opinions differ on the effect of this limitation on New York's Medicaid spending, which now is figured at a whopping $738 million for the current fiscal year.

The total saving might run to $50 million annually at the outset for federal, state and local governments. Most important, however, it would put a checkrein on Medicaid costs, which could skyrocket as more persons sign up for the program or if the New York legislature liberalized it.

The purpose of these amendments is not to deny government medical assistance to the poor, as critics will charge. They will be fully aided, and states would still retain flexibility to devise programs to meet special needs. Low-cost private health insurance still will be available to everyone.

Rather, the bill's aim is to stop a trend under Medicaid to "blanket in" as much as half of a state's population under a program verging on socialized medicine.

Even if that were a good idea in principle, which it is not, an America inundated by high government spending and high taxes because of the Vietnam war and domestic programs simply can't afford so big a handout.

The House committee . . . deserves the taxpayers' thanks for devising a program which protects them as well as the poor. Congress should not fail to approve it.

[From the Buffalo (N.Y.) Evening News, July 31, 1967]

MEDICAID PULLBACK

The stringent curbs on federal cost-sharing for state medicaid programs, on which the House Ways & Means Committee has agreed, should prompt a belated resolve in Albany to make sure that the state and communities are not left holding the bag for last year's hastily conceived medical payment program.

The fears of state officials about the potentially disastrous consequences of the committee's yardstick limitations, if approved by Congress, are probably not exaggerated.

Under the committee's rollback plan, the income eligibility standards for federal cost-sharing purposes would be reduced progressively over three years. Thus the state's present income limitation of $6000 for a family of four would be cut to $4400 next July, and to $3900 by 1970—with the state and its localities left to pay the whole tab for anyone still covered by state law who is over those income limits.

Restrictions of this scope on federal contributions obviously would impose a strain of staggering proportions on the state and communities. Medicaid financing this year is costing them respectively $250 and $210 million, with Uncle Sam providing $276 million.

Rightly disturbed by the extent of the impact, Rep. Conable (R., Alexander) was instrumental in moderating the committee's action to the extent of deferring the beginning date for the federal limitation from next Jan. 1 to July 1, and in staggering the restrictions over a three-year period.

But if there is some consolation in the deferral of aid restrictions beyond the state's current fiscal year, the longer-range omens are such as to well warrant Mr. Conable's warning that New York "will have to live" with the effects of a congressional boom-lowering mood.

A prominent factor prompting the committee's decision, undoubtedly, was New York's adoption of a medicaid program vastly more liberal than Congress contemplated when it wrote its all too loosely-drawn Title 19 invitation to such state programs in the 1965 Social Security Act.

In the perspective of an enormous federal deficit and competing spending priorities—to say nothing of the gathering speed and cost of a New York medical program that already looms far out of proportion with other states

in the allocation of federal funds—a limitation on federal pick-up of the tabs is something Albany should have foreseen. Indeed, some state initiative this year in conforming its definition of medical indigency more nearly to what Congress originally had in mind perhaps have headed off the congressional limb-sawing now in prospect.

In any event, the threat now facing the state is far too serious for any stand-pat disposition. Fortunately, the proposed congressional timetable affords the governor and legislative leaders opportunity for reconciling the fundamentally humanitarian purposes of the medical-aid law to fiscal realities. They should make the most of it.

RIOTS: THE MORE THERE ARE, THE LESS WE UNDERSTAND

Mr. STANTON. 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 Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, as I have mentioned before, more than 110 cities in the United States have experienced racial violence this year. As a result there is the usual illogical clamoring for action—but as is also usual with this type of clamoring, no one knows just what action is needed. The lesson of Detroit, the model city which had received massive injections of Federal funds and seemingly run the gamut of Federal programs, indicates that even the best examples of the "best" programs did not help enough, or perhaps at all.

The blind approach to the "who" and the "why" of recent riots has brought us to conclusions which apparently don't fit the now emerging facts.

That we cannot solve a problem which we know little about is elementary; that we know little about riots and their roots is indicated in an article in Science magazine by Robert J. Samuelson entitled "Riots: The More There Are, the Less We Understand."

This article is valuable in that it not only says a lot about what we do not know, but it provides another piece of the feeble beginnings of what we should know. In addition, it emphasizes that before we find the solution, we must define the problem, and that helter-skelter spending and massive Federal programs are at best shots in the dark.

While this article admittedly cites only beginning attempts at understanding, it does call into question several misconceptions which are basic and I believe it deserves the attention of all persons interested in the maintenance of the Nation.

The article follows:

RIOTS: THE MORE THERE ARE, THE LESS WE UNDERSTAND

Three successive summers of destructive rioting have shown white Americans how much they do not understand black Americans. Even social scientists, with numerous studies of race relations, have little data on recent riots. President Johnson emphasized this ignorance when he asked his Commission on Civil Disorders: "What happened?" "Why did it happen?" and "What can be done to prevent it from happening again and again?" The questions seemed aimed at ending the Administration's own confusion as much as at charting a new course in domestic legislation.

What scant riot-research there is, however, raises some interesting questions. There is a presumption, for example, on the part of many whites that the riots are irrational; they only destroy Negro homes, kill other Negroes, and alienate white liberal support. Perhaps there is a good case for the irrationality of rioting, but several studies of recent riots show that many Negroes believe otherwise.

Two sociologists working at UCLA, Raymond J. Murphy, associate professor of sociology, and James M. Watson, now assistant professor of sociology at Indiana University, have just completed a large-scale opinion study within the 46.5 square-mile area of the 1965 Watts riot. They found that 42.8 percent of the men sampled and 34.5 percent of the women felt the riot had "helped the Negro cause." Only 23 percent of the men and 19 percent of the women actually thought the riot had "hurt." A commercial polling firm, John F. Krafts, Inc., surveyed Watts and found that 48.4 percent of those questioned believed the riot had helped the "Negro's chances for equality in jobs, schools, and housing."

A common notion about riots is that only a small minority of the Negro population participates in them. Again, this may be so, but available evidence could support the opposite conclusion. In Watts, for example, the UCLA study reports that 73.6 percent of the men and 75.3 percent of the women polled took no part in the riot. Yet, at the same time, 6.3 percent of the men (2.8 percent of the women) were "very active," and 17.1 percent of the men (17.4 percent of the women) were "somewhat active." Is approximately 25 percent of the population large or small?

Equally ambiguous—and probably more significant—is the attitude of the entire Negro community toward the riots. Here, too, the frequent presumption of whites is that acceptance of the riots is low. The Lemberg Center for Violence at Brandeis University has just completed a preliminary study of six American cities. It found that 59 percent of the Negroes felt that only a small minority of Negroes sympathized with the riots. Yet, there was a marked ambivalence: "When Negroes were asked how riots make most Negroes feel, the answers were predominantly negative toward actual riot behavior. When Negroes were asked whether riots help or hurt the Negro cause, they expressed intensely mixed feelings." In Watts, the UCLA study reported, the responses of only about 35 percent of the men and 25 percent of the women were "very favorable" or "somewhat favorable" to the riot, but the opposition of others was often tempered. Said one "unfavorable" respondent: "The only thing I liked was the people expressing themselves. They were out of a cage. They expressed themselves. . . . I disliked the looting and the burning, but I liked the way they got it out of their system." Significantly, the John F. Krafts poll reported that 55.6 percent of its subjects felt more pride in being a Negro after the riot.

What is perhaps the major conclusion of the UCLA study also challenges another common assumption: that the "better off" segment of the Negro community is a stabilizing and moderating influence. The study made a number of comparisons between an individual's class position—his occupation, his area of residence, the neatness of his home—and his attitude about the riots or his activity in it. The results showed very few neat relationships.

For example: when those living in the worst neighborhood were compared with those living in the best, it was found that 25.6 percent of those in the poor neighborhood reported they participated in the riot, against 17.9 percent in the best neighborhood; 23.9 percent in the poor neighborhood were highly favorable to the riot (26.1 percent moderately favorable), against 19.1 percent in the best neighborhood (22.1 percent moderately favorable).

The differences were hardly substantial although the two neighborhoods present a sharp contrast. In the richest, the median income, according to the 1960 census, was $6578, and the median number of years in school was 11.7; 47.2 percent of the workers had white-collar jobs. The corresponding statistics for the poor neighborhood were a median income of $4048 and a median educational achievement of 8.8 years; 14.2 percent held white-collar positions. By way of comparison, the median income for the entire city of Los Angeles in 1960 was $6896, and median educational attainment 12.1 years. The UCLA report concluded: "We suspect many white persons have viewed the middle-class Negro group as a moderating influence in the racial struggle. The 'better element,' it is often argued, will be responsible and orderly and understand the necessity for a gradualist solution to the Negro problem. . . . We find little room for such an optimistic appraisal. If our analysis is correct, the problems of urban life for the Negro, even in the palm-lined spaciousness of Los Angeles, have grown acute and a significant number of Negroes, successful or unsuccesful, are emotionally prepared for violence as a strategy or solution to end the problem of segregation, exploitation, and subordination."

The study's authors were not sanguine about another common theory: that contacts with whites tend to make things better. Once again, they compared a number of groups to see if social contact with whites made a difference in attitudes toward the riot. It didn't. But the study did find that better-off Negroes with high anti-white feelings (based on a test for "social distance"—the respondent was asked whether he would be uncomfortable at a party with a majority of whites) were far more likely to participate in the riot than their peers with lower "social distance." And, though young people had no less social contact with whites than their elders, they did display more anti-white feeling. Not surprisingly, the young were the most active participants in the riots.

The report was again pessimistic. "We expect that continued contact with white persons by those Negroes who have made economic gains would serve to increase their impatience and frustration at not being able to enjoy the same freedom of movement and opportunity taken for granted by white persons in their quest for the 'American dream.'"

All these statistics have relevance to more central questions. Do the riots reflect racial grievances or economic hardship—is this a class or racial matter? No one is trying to make the question an either-or proposition, but more and more commentators have been suggesting that the present disorders are best understood in terms of class dynamics. Thus, Daniel Patrick Moynihan, the author of the controversial government report "The Negro Family: The Case for National Action," told the N.Y. *Times* that though "race interacts with everything in America," the present violence was essentially caused by a "large, desperately unhappy, disorganized lowerclass community" in the core cities.

The authors of the UCLA report seem to be disputing this theory. They hypothesied that different motivations led different segments of the community to participate in the riot: anti-white sentiment for the better-off participants and economic discontent for the poorer.

Their report also seems to take issue with a number of other prevalent ideas. Specifically, it presents data suggesting that:

Alleged police brutality may not be so central to the understanding of the riots as many current theories would make it. The

authors asked their respondents to name their largest complaints with life in Los Angeles. Poor neighborhood conditions—dirty streets, dilapidated housing, and so forth—ranked first for both men (28.3 percent) and women (36.7 percent). Mistreatment by whites (including police) ranked second for men (21.2 percent) put last for women (7.9 percent). This relatively low ranking is not surprising because most members of the community do not deal very often with police. Only 10 percent of the men reported they had frequent contact with the police and another 14.9 percent dealt with the police "sometimes"; in contrast, 59.1 percent of the men and 70.9 percent of the women had contact with the police only on rare occasions. These findings, however, do not eliminate the problem of perceived police mistreatment. A third of the men said that police had, at one time or another, shown them lack of respect or searched them unnecessarily; and almost three-quarters of the men believe the police beat up Negroes in custody (though only 1.3 percent report it has happened to them). Police brutality, then, may be more a symbol of community anger, rather than a central cause of the riot.

The idea that recent migrants from the South, bitter and frustrated at their lack of success in Los Angeles, helped stimulate the riot may be a myth. The authors found that 60 percent of the sample (70 percent of the men) had lived in Los Angeles at least 10 years when the riot occurred. And of those who had lived in the city less than 10 years, only one-third of them had been in Los Angeles less than four years at the time of the riot. (These findings coincided with a special census of South and East Los Angeles in 1965 which showed that only 12.4 percent of the Negro population of South Los Angeles lived outside the Los Angeles-Long Beach Standard Metropolitan Area in 1960.) In addition, people from the South were older than those from other regions; participants in the riots tended to be younger.

The conventional measures of class—income, education, occupation—may be ill-suited to study of the Negro ghetto. The report found few significant correlations between these standards and discontent. However, when the authors compared more subjective measures of "life-style" they were able to make more sense out of events. Specifically, two measures of life-style were used—area of residence, and neatness of the respondent's house. Individual measures of socio-economic level (education, occupation, and so forth) showed little relationship with measures of discontent. However, "life-style" showed more consistent trends. . . . in five out of six comparisons, the persons living in better residential areas and exhibiting a more 'middle-class' life-style indicated lower discontent [than those living in poorer neighborhoods or those whose homes were not as neatly kept]."

The UCLA study, and the few others in existence, raise more questions than they resolve. Its conclusions, if correct for Watts, may not apply to other cities. And even its findings about Watts 1965 may no longer be true of Watts 1967. This summer's violence has been too widespread and yet too random to suit simple explanation. Each new disturbance amplifies uncertainty and leaves room for almost as many theories as there are disorders.

—ROBERT J. SAMUELSON.

SACB VITAL TO NATION'S INTERNAL SECURITY DEFENSES

Mr. STANTON. 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 Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it is generally acknowledged that some decisions of the Supreme Court in recent years have rendered ineffective the Internal Security Act of 1950 which is the keystone of our internal security system. To correct certain Supreme Court decisions, the House Committee on Un-American Activities held hearings on proposed legislation in August which would amend the Internal Security Act. One agency which figures importantly in our internal security defenses is the Subversive Activities Control Board, a quasi-judicial body. Due to recent Court decisions, the SACB has been hamstrung in its function of alerting the American public to the nature of certain organizations.

On August 17 the Director of the National Legislative Service of the Veterans of Foreign Wars, Mr. Francis W. Stover, testified before the House Committee on Un-American Activities in support of H.R. 10390 and other identical legislation which would amend the Internal Security Act. His testimony illustrated the importance of the SACB in the internal security field and the necessity of informing the public regarding organizations under Communist influence. I place Mr. Stover's testimony in the RECORD at this point:

STATEMENT OF FRANCIS W. STOVER, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, BEFORE THE COMMITTEE ON UN-AMERICAN ACTIVITIES, HOUSE OF REPRESENTATIVES.

Mr. Chairman and Members of the Committee, thank you for this opportunity to appear before this Committee in behalf of legislation which will make the Subversive Activities Control Board more effective as contained in several bills under consideration.

My name is Francis W. Stover, and I am Director of the National Legislative Service of the Veterans of Foreign Wars of the United States.

By way of introduction—the membership of the Veterans of Foreign Wars of the U.S. is near an all-time high—almost 1,400,000. Our membership has always deeply concerned itself with the menace of communism and all other subversive organizations, whose declared intent and purpose has been to violently overthrow our Government by any method or means, which they may deem appropriate.

It was this kind of background and history which led our membership to strongly support the creation of the Subversive Activities Control Board in 1950. It will be recalled that the purpose of the establishment of this Board was to reveal to the American people the communist front, communist infiltrated organizations, and the members of the communist organizations because such groups and persons, according to the findings of the Congress, constituted a real and continuing danger to our national welfare. Again the V.F.W. lent its fullest support when legislation amending and enlarging the scope of the Board was approved by the Congress in 1954.

It has come as a shock to our organization to learn that legislation has been introduced in this 90th Congress which would abolish this Board. We welcome, therefore, the legislation which is before you which will continue to allow the Board to carry out the purpose and intent of the Congress when it estblished this Board.

Our organization is controlled almost exclusively by the mandates adopted by the delegates to our most recent National Convention. Many of our members were cognizant of the lack of activity of the Subversive Activities Control Board when our Convention was held in New York City August, 1966—just about a year ago. As a result of this concern over the weakening of the Internal Security Act which had shrunk the jurisdiction of this Board, our organization adopted a resolution, identified as No. 268 entitled "To Strengthen Internal Security Act", which reads as follows:

"Whereas, decisions of the United States Supreme Court have greatly weakened the Internal Security Act of 1950; and

"Whereas, the Veterans of Foreign Wars was one of the sponsors and strong supporters of the Internal Security Act and amendments thereto since that time; and

"Whereas, the Veterans of Foreign Wars has always led the fight to expose and identify communists and others who would undermine and destroy our Government and way of life; and

"Whereas, there is now pending in the 89th Congress a bill, H.R. 16584, which would greatly strengthen and improve the Internal Security Act and overcome the decisions of the Supreme Court which have greatly weakened the Internal Security Act; now, therefore

"Be it resolved, by the 67th National Convention of the Veterans of Foreign Wars of the United States, that the Veterans of Foreign Wars supports H.R. 16584 and works for its advancement and approval by the Congress."

Pursuant to this resolution, together with a host of other resolutions, which indicates the great concern of our organization with communism and its threat, both external and internal to the American way of life, we strongly support the purpose and intent of the bills before this Committee.

We do not come here as experts but only to lend our support to legislation which will make the Board effective in registering communists and other subversives, as defined in this legislation, so that the American people can know who they are and to what extent they are a danger or threat.

It cannot be emphasized too much that the Subversive Activities Control Board is the only agency in the Executive Branch which has the authority to provide this type of information to the American public.

The Board, however, does not operate in the dark—behind closed doors. On the contrary, it provides a full and fair hearing if there ever was one. It is a quasi-court which can hear and decide cases only after they have been brought before the Board by the Attorney General of the United States. All hearings are public. Like a court proceeding, there are reporters who keep a stenographic record of all that is said and copies of the hearings are printed. The Board before it makes its decision must make written findings of fact and conclusions of law. Lastly and most important, any final decision or order by the Board is subject to judicial review and when appealed the Board's orders cannot become effective until they have been reviewed and sustained by the court.

During the past 17 years, this Board has performed a magnificent contribution in exposing communists and others of the same ilk as defined by the Internal Security Act. Unfortunately, the language of the Act has been construed on several occasions to be in conflict with the Constitution, which has greatly diminished the jurisdiction of the Board and apparently has been a great deterrent to the Attorney General in bringing more cases before the Board. Coupled with this are the long and lengthy appeals which have kept the orders of the Board tied up in the courts for long periods during which it was inadvisable to proceed with similar or other cases until a final decision had been handed down by the court.

The fact that there has been little activity on the part of the Board is the most compelling reason that this legislation should be favorably considered and reported by this Committee. Something is wrong with the present law and should be remedied as quickly as possible. Because there haven't been any or many cases before a court of law doesn't mean that we want to destroy or eliminate the court. Rather we want to strengthen the court. Similarly, we want to strengthen the Board so that it can do the job Congress intended back when it established the Board in 1950 and, I am sure, wants the Board to continue in 1967.

In summary, the Veterans of Foreign Wars commends this Committee for taking the initiative in counteracting other legislation which has been introduced in the 90th Congress of recent date which would abolish the Board. Your approach is the correct one so far as the Veterans of Foreign Wars is concerned and is the remedy that our organization advocated through the voice of our delegates at our National Convention in New York last August as embodied in Resolution No. 268, as outlined above, and the forthright statement of our Commander-in-Chief, Leslie M. Fry, which he issued to the press on July 24, 1967 concerning efforts to abolish this Board, a copy of which is attached.

Accordingly, the Veterans of Foreign Wars strongly recommends that this Board not only be kept alive and functioning but that it be given the tools which it needs to disclose and regulate the operations of the communist conspiracy in this country. To fail to approve the legislation before you to strengthen the Subversive Activities Control Board will be to permit the communists to win a 17-year battle by default.

You are strongly urged to favorably consider this legislation and report it to the House at the earliest opportunity with the hope that it will go on through the Congress and be enacted into law at an early date.

Thank you.

CLEVELAND GIVES QUESTIONNAIRE RESULTS—ANSWERS IT HIMSELF

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, for the fifth consecutive year I have sent questionnaires to my constituents. Again, I wish to share this year's results with my colleagues. It is too bad that time and space do not permit me to detail the many perceptive and helpful comments which my constituents added with their answers.

New Hampshire has a good record for citizen participation in government. It is consistently among the Nation's leaders in voter turnout, and takes great interest in its government, from town meetings through all levels of government. In view of this, these returns are significant and meaningful as an indication of how a large number of thoughtful and concerned people are thinking, although I make no claim this is a "scientific poll."

QUESTIONNAIRE STRESSES MEANS, NOT GOALS

To the extent possible, I avoided asking if constituents favored such laudable objectives as peace, equal opportunity, the elimination of poverty, better education, clean air and water, fairer taxes, et cetera. Agreement is virtually universal on such goals. The issues we face here are usually how such objectives can best be attained and when. During a time of war, large deficits, and increasing inflation, certain programs may have to be deferred or cut back.

PRIORITIES—NECESSARY AND IMPORTANT

My first question was one to which I invited particular attention. It is my conviction that government, as well as individuals, should establish priorities, and exercise restraint and selectivity in allocating available money and resources to meet needs and problems. For this reason, I asked my constituents which needs and problems are of first importance for action by Congress, with results which I feel are significant.

LABELS—SLOGANS—INSTANT SOLUTIONS

The framing of meaningful questions is difficult. Compounding the problem is the growing practice here of legislation by label and by high-sounding slogans and the current regrettable practice of lumping many different programs into one bill. This, coupled with a prevailing fallacy that almost any problem can be solved instantly if you pass a program through Congress and throw enough money at it, makes meaningful debate and discussion of issues and questions difficult.

RESULTS—PRIORITIES

Of course, the top priority issue in the minds of respondents was the war in Vietnam. Not quite so clear is what Congress can or should do about it. The next issue, clearly second in the minds of the people, is the need for decreased, or at least more restrained, Federal spending.

The third priority issue, classified as "race problems," which includes poverty, city slums, need for increased job opportunities, the recent riots, and the continuing quest for the achievement of civil rights and equal opportunity, reflects a widespread anxiety for the problems of our cities and meaningful solutions.

Concern over increased crime rates has grown dramatically in the last year. Congressional reform and higher standards for politicians also rate high.

RESULTS: FOREIGN POLICY

Several conclusions seem warranted from the complex pattern of answers to question two, on the war in Vietnam. One is that clear support of the administration has lessened. In my 1965 questionnaire, I asked, "In general, do you favor U.S. policy in Vietnam?" The answer was 3 to 1 in the affirmative. Last year, in a more thorough question, there was slight approval of "maintaining our present position and policies," and overwhelming—4 and 5 to 1—support of intensified military activity against North Vietnam. This year, the people seem less inclined to support increased bombing of the north. At the same time, they are now 3 to 1 against present policies, but even more strongly against withdrawal.

While they favor increased military activity against North Vietnam, they favor negotiations even more. The fact that less than one person in five believes he is getting adequate information from the administration is a revealing, significant, and disturbing commentary. Of all the current threats to our democracy, and to her handmaidens—deliberation, debate, and honest dissent—this may well be the greatest.

FOREIGN AID OPPOSED

Following the trend of recent years, foreign aid programs met with continuing disapproval, as did increased East-West trade. While U.S. policy on Rhodesia also met with disapproval, the number of people "not sure" is significant.

WAR ON POVERTY MORE IN FAVOR

While still opposed generally to the administration's war on poverty, my constituents appear to be more in favor than last year. I'm sure they still share my approval of the program's laudable objectives.

The most negative response, incidentally, was to a question regarding the administration's proposal to have Federal subsidies for national election campaigns.

ANSWERS QUESTIONNAIRE

As I do each year, I will now answer, for the record, my own questionnaire.

Along with my constituents, I feel that the defense of South Vietnam is the top priority issue facing the Nation and Congress. While the cost is high, in terms of both men and money, this is a commitment that we must honor. To abandon this commitment because the price is high or because the going gets rough would be to undermine still further the word of the United States around the world. To abandon a commitment that we have declared and affirmed would be to encourage all countries to disregard the United States as a force against aggression, and could, indeed, openly invite further aggression.

On frequent occasions I have suggested that history is emphatic in telling us that firmness in the right is the best long-range insurance against aggression. The North Vietnamese aggression against the South Vietnamese may well have been encouraged by some of the peace pronouncements that characterized the 1964 presidential campaign. It may also have been encouraged since, by this administration's policy of indecisive escalation and by the disproportionate publicity given to opponents of our commitment.

While my questionnaire seems to stress military solutions to the Vietnam problem, that is, of course, only part of the answer. Lasting peace in a poverty-stricken, hunger-ridden country bordering on China will not be won on the battlefield alone.

SPENDING: RESTRAINT AND PRIORITIES

My choice for second priority is restraint in Federal spending. I want Congress to make hard decisions and establish strict national priorities for the best allocation of limited resources, rather than avoiding them by accepting almost every proposal, and passing the consequences on to the people in the form of higher prices, higher taxes, and a weaker dollar.

Third, I would list the growth of reliance on Washington, with its accompanying concentration of power in the Federal Government and distressing ero-

sion of local initiative. This problem, of course, reflects the need for more effective State and local government and tax-sharing formulas to help them meet their responsibilities constructively.

Fourth, I would list the problems of the cities—and, conversely, rural decline—manifested by their ghettos, slums, riots, high crime rates, and poor schools. The first thing to be done is to make it clear that civil order must be maintained and respect for law and order reestablished. While we cannot just buy an end to the ghettos, neither can we ignore them. They will not just go away. I submit that the greatest of the needs lies in the field of education for job opportunities. Another solution might be to reverse migration trends that overcrowd cities and depopulate rural areas, to the detriment of both.

CONSERVATION

Conservation comes fifth. I use the word broadly to include pollution control, better ways to dispose of our waste, preservation of our natural areas, and more efficient—hence less wasteful—use of our limited natural resources.

Sixth, I submit, is the problem facing our senior citizens. Many of them are victims of the ravages of inflation caused, in my opinion, by unwise fiscal policies. It seems ironic that the good news of increased longevity, resulting from scientific triumphs, finds many people, still hale and hearty, unable to benefit from the added years bestowed upon them. That many of these people are discouraged from earning money by income restrictions forced into the social security system by labor economists of yesteryear is but part of the problem. There should be a national effort and concern to improve their opportunities for continuing and constructive contributions.

VIETNAM—CLEVELAND VIEWS

I favor substantially increasing military activity against North Vietnam. Unrefuted evidence here tells us that we have not yet bombed all significant military targets in the north. Until this is done, the commitment of additional American ground troops to Vietnam seems unjustified.

I do not favor present policies which I consider to have been indecisive and conducive to uncertainty, doubt, and miscalculations. Nor do I favor limiting our activity to protecting strategic areas. To unilaterally withdraw and abandon the South Vietnamese to Communist aggression and oppression from the north—from which so many fled when given the chance to do so in 1954—seems to be out of the question.

I favor stronger, more frequent initiatives to begin negotiations for peaceful settlement. Administration efforts for negotiations have often seemed to be directed more toward American public opinion than toward the North Vietnamese or Vietcong. The "credibility gap" which exists in the United States may well exist also between the U.S. Government and the North Vietnamese.

Regrettably, I do not feel that the administration is giving the public—or the Congress—adequate information concerning Vietnam. Indeed, it is this lack of credence that makes it so difficult to know what the United States should do in Vietnam. This lack began, in my opinion, during the presidential campaign of 1964, with emphatic protestations for peace which may well have led since to untold miscalculations, torment, and doubt; all of which could have been avoided by candor and clarity of purpose from the outset.

FOREIGN AID

This year I again voted in favor of the continuation of our foreign aid program. The authorization for which I voted was substantially cut by both the House and the Senate. In the House, the authorization was amended and, in my opinion, strengthened by forbidding aid to those who trade with our enemy. This follows my voting pattern of past years. The temptation to vote against foreign aid as a general protest—particularly in view of the lack of support we are now receiving from erstwhile friends and beneficiaries of the program—is almost overwhelming. The world situation, however, and our commitment to defend free nations against aggression is such that, in my opinion, the general principles of the program still deserve support. It is regrettable that so many friends of foreign aid seem blind to the program's shortcomings and virtually deaf to constructive suggestions for improving them.

My position of last year, that I do not favor at this time increased trade with the Eastern European Communist countries—which support North Vietnam—remains unchanged.

RHODESIA

As much as I would like to join many of my constituents who were "not sure" about the Rhodesian question, my answer here is a reluctant "Yes." If we are to support the U.N., we obviously cannot pick and choose which of its actions we support, and which we oppose. My reluctance is abetted by the fact that while we support the U.N. sanctions, Great Britain, on whose behalf they are imposed, seems indifferent to many of our international problems. Because the sanctions apparently are not having the desired effect, the U.N. position and the sanctions should be reassessed.

MIDDLE EAST

While I was sharply critical of the U.N.'s precipitous removal of its peacekeeping force from the Egypt-Israel border at the beginning of the conflict, I do support its actions during and since the hostilities. The U.N. did at least serve as a medium for the truce, and hopefully will, for a meaningful settlement.

I favor annual disclosure of assets, income, and expenditures by Congressmen, provided all members are required to do so.

I do not feel that we should continue our space expenditures at their present levels. This is a question of priority. We cannot afford everything at once. We should "stretch out" our space efforts. There is evidence that it would improve the program if we did.

I have voted against the so-called war on poverty bill. I have no quarrel with its objectives but support alternative proposals which, I think, would do the job better.

LOWER VOTING AGE

I am on record as favoring a lower voting age—by appropriate State action.

I have introduced legislation which would cause Washington's Birthday, Memorial Day, Independence Day, and Veterans Day to be observed as part of a 3-day weekend.

I favor a tax credit to private industry for expenditures to train, advance, and employ people lacking necessary skills. This is the Human Investment Act which I have introduced as a part of the Republican constructive alternative to the war on poverty.

I do not favor, and voted against, the tax checkoff proposal for Federal financial help to major parties for campaigning costs. However, some solution to the problem of skyrocketing campaign costs must be found.

I favor a tax credit to encourage small, individual contributions.

RENT SUBSIDY

I have again voted against the administration's proposals for Federal programs to subsidize the rents of low- and moderate-income families. As an alternative, and I believe a better solution, I have sponsored the National Home Ownership Foundation Act of 1967 with Senator PERCY and others to encourage home ownership.

Legislation to allow a tax credit for post-high school education costs, which I have sponsored, would help relieve some of the high cost of education. In the process, it would encourage post-high school education and training, an increasingly important national goal.

I have long advocated agreed-on quotas to provide for the orderly expansion of international trade, and give domestic industries a chance to meet foreign competition over a reasonable period of time, with some protection against low wages and subsidy by foreign government.

I favor a convention called by the States to amend the U.S. Constitution to permit States with bicameral legislatures to apportion one branch on factors other than population, subject to approval by a statewide referendum at regular intervals. This would allow States to follow the example, if they choose—if you please—established by the U.S. Constitution for the U.S. Congress.

PRESIDENTIAL PREFERENCE

Because there is a practical limit to the information that can be obtained by the number and structure of questions on specific issues, I decided to query my constituents with respect to their support of current programs and ideas espoused by spokesman in each of the major political parties. I strongly believe that the two-party system is the vital ingredient that has made possible the success of our Government. While I suppose some individuals may be disproportionately influenced by factors other than the merits of the proposals put forward by leading figures in both parties, nevertheless this kind of broad question gives me some further indication, collectively, of my constituents' attitude on the broad range of public policy.

Thus, it is appropriate to ask for pres-

idential preferences in my questionnaire this year. My mail and visitations in my district constantly reflect this vital interest. Under our system of government, with its three coequal branches, the concerns of all are comingled. Much of my mail, many of my problems, most of my time, are taken up with matters that inextricably involve the interrelationship between the courts, the executive, and the legislature.

Many of my constituents did not state their preferences for the 1968 presidential election, saying it was too soon to say. I agree with them. On the implied assumption, however, that I asked for the best candidate for each party at this time, I answer as follows: I agree with the preference of my constituents that, for the Democratic Party, President Johnson is the practical choice. There can be no realistic alternative to renominating an incumbent President. On the Republican side, I find myself in disagreement with my constituents, as I consider Governor Romney the best candidate for his party at this time. Richard Nixon is my second choice. My third preference is a tie between the Republican Governors of the two largest States in the Nation. Although not candidates at this time, they both hold positions in the Nation and their party that entitle them to consideration. The real possibility of a "dark horse" adds interest and conjecture to the question.

QUESTIONNAIRE RESULTS, 1967

Rank in 1967	Rank in 1966		Total responses
		1. Please list in order of importance those issues, problems, or needs which you personally consider to be of primary importance for action by Congress:	
1	1	Vietnam	2,607
2	3	Reduced Federal spending	1,616
3	4	Race problems (including riots and civil rights)	1,465
4	13	Increased crime (and criticism of restraints on police)	967
5	7	Concern over domestic poverty and present war on poverty	948
6	6	Foreign aid	723
7	8	Education: Need for more and better	623
8	15	High taxes and need for tax reforms	613
9	16	Congressional reform	606
10	12	Water and air pollution	587
11	9	General concern for the course of our foreign policy	462
12	2	Inflation	431
13	5	Big government; Federal-State relationship	431
14	(1)	Middle East situation	386
15	11	More aid for senior citizens	376
16	10	Labor-management problems	275
17	17	Draft reform	258
18	20	United Nations	214
19	(1)	Urban problems	171
20	(1)	Space programs	167
21	22	Communist threat	159
22	(1)	Tariffs, restrictive quotas, etc	152
23	(1)	Conservation	149
24	(1)	East-West trade	148
25	(1)	Concern for national security	127
26	(1)	Concern for U.S. economy	113
27	(1)	Transportation	108
28	(1)	Rhodesia	62

[1] Less than 100 total responses in 1966 questionnaire results.

	Yes	No	Not sure	Blank
2. What should the United States do, or not do, in Vietnam? [1]				
(a) Substantially increase military activity against North Vietnam?	2,354	1,488		1,027
(b) Continue present gradual but restrained escalation of the war?	792	2,633		1,444
(c) Reduce present scale of fighting and bombing, but retain U.S. military presence and concentrate on protecting key military and populated areas?	902	2,529		1,438
(d) Withdraw U.S. forces?	660	2,796		1,413
(e) In any event, United States should take stronger, more frequent initiatives to begin negotiations for peaceful settlement?	2,955	985		929
(f) Do you feel the administration is giving the public adequate information concerning Vietnam?	804	3,306		759
In general and on balance, do you favor:				
3. Continuation of our present foreign aid program?	1,165	3,108	430	166
4. Increasing trade with the European Communist countries?	1,637	2,844	348	40
5. Our policy in support of U.N. sanctions against Rhodesia?	1,482	2,057	1,029	301
6. The actions of the U.N. in connection with the Middle East hostilities?	1,758	2,155	549	407
7. Annual disclosure by Congressmen of assets and income?	3,278	1,039	350	202
8. Continuation of present expenditures for space programs?	2,269	1,920	566	114
9. Continuing the administration's war on poverty program?	1,818	2,511	393	147
10. Lowering the voting age (as now permitted in 4 States)?	1,673	2,848	241	107
11. Legislation requiring national holidays to be celebrated on a Friday or Monday?	2,170	2,174	364	161
12. A tax credit to private industry for expenditures to train, advance, and employ people lacking necessary skills?	3,362	1,119	297	91
13. Federal financial help to major parties for campaigning?	677	3,777	325	90
14. A tax credit to encourage small campaign contributions?	2,082	2,401	342	44
15. Federal subsidy for rent paid by low-income families?	1,064	3,270	422	113
16. A tax credit for post-high school education costs?	3,577	1,001	212	79
17. Negotiated quotas to limit imports?	2,765	1,134	757	213
18. A convention called by the States to amend the U.S. Constitution?	1,172	2,489	855	353

[1] Blank will be construed as not sure.

In order of preference, who do you feel would be the best candidates for each party for the 1968 Presidential election?

	1st preference	2d preference	3d preference
Democrat:			
Lyndon B. Johnson	1,426	91	46
Robert F. Kennedy	319	280	118
Hubert H. Humphrey	100	300	112
George C. Wallace	149	35	25
J. W. Fulbright	72	58	28
Edward M. Kennedy	25	33	28
Republican:			
Richard M. Nixon	1,242	554	285
George Romney	667	623	252
Nelson A. Rockfeller	703	389	254
Ronald Reagan	515	481	326
Charles H. Percy	260	342	292
Barry Goldwater	131	134	95
Mark O. Hatfield	57	50	67
John V. Lindsay	27	41	50

THANK YOU

In conclusion I would like to thank my many constituents who participated in this year's questionnaire, not only for returning their questionnaires but for their many constructive comments. Several hundred questionnaires came in too late to be tabulated but their contents were carefully noted.

Congress, which is badly in need of reform, appears to be virtually in year-round session. Thus, it is of particular importance to me as their Representative to hear from constituents and have the benefit of their views.

KANSAS SALUTE TO OUR MISS AMERICA

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SKUBITZ] 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 Ohio?

There was no objection.

Mr. SKUBITZ. Mr. Speaker, Kansas has been known as the great wheat State, the center of the Nation, the land of beautiful rolling plains, of waving grains, and I think it is appropriate today to add that Kansas may be known as the land of beautiful girls. Even though one of our beautiful girls, Miss Debra Barnes, now belongs to the country as the reigning Miss America, we Kansans shall always claim her. This claim to fame for our State as the land of beautiful girls arises from Debra Barnes being the second Kansas "Debby" to win the coveted Miss America crown in 3 years. I am very proud that the new Miss America comes from the Fifth Congressional District but I know this pride is not limited to me alone, that it is possessed by all Kansas citizens and I am happy to share in it.

The people of Kansas know they have a great State. They have striven for years to make the home the center of activities but not the circumference of activities for its young people. Our State of Kansas offers the soundest educational advantages and we set high standards for our youth. From this atmosphere, young Kansans emerge to become the best of State and National citizens.

"Debbie" Barnes, as she is known in her hometown of less than 700 population, celebrated her 20th birthday 3 days prior to the Miss America pageant. She is a senior at Kansas State College in Pittsburg, Kans., where she is majoring in music following in the footsteps of her parents, both talented musicians. Our Miss America is a self-reliant girl who has helped to raise herself due to her mother's illness which has confined her to a hospital for many periods of time. Though the presence of the whole family may not always have been possible, the love of both parents must have inspired this Kansas girl to reach for the heights. Our State's motto, "To the Stars Through Difficulty," has had real meaning for many citizens of Kansas who have succeeded in reaching notable goals. It is felt in the heartbeat of our State, and surely must be relevant to the rise of this Miss America. I salute the Barnes family, the community of Moran, Kans., and the State and citizens of Kansas who have all contributed to the growth of Debra Barnes. Finally, I salute you, Miss America—our own Miss Kansas, Debra Barnes. May your year be a glorious one, and may you brighten the other 49 States of this Nation as you have your own State of Kansas.

GOVERNOR AGNEW'S PROGRAM FOR ALCOHOLISM IN MARYLAND

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GUDE] 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 Ohio?

There was no objection.

Mr. GUDE. Mr. Speaker, Maryland's Governor, Spiro Agnew, announced August 30 that he will ask the general assembly in January to enact a comprehensive program to help the State's 100,000 alcoholics.

Such a program would allow the Free State to comply with a January 1966 Federal court decision that chronic alcoholics must be referred to treatment facilities instead of being jailed.

Governor Agnew is to be praised for his action on this critical problem. It has been over 19 months since the Driver ruling by the Fourth Circuit Court of Appeals prohibited the jailing of alcoholics for public drunkenness. This ruling affects Maryland, Virginia and North Carolina.

For the past 6 years, more patients were admitted to Maryland State mental hospitals for alcoholism than for any other single diagnosis. As I pointed out to the House on May 16, since 1960 alcoholic admissions to these mental institutions—the only State public facilities providing alcoholism treatment—have more than doubled. In addition, 1 out of every 10 patients admitted for other ailments were reported to have major drinking problems. Thus, alcoholism is related to the patient illness in one-half of all Maryland's mental institution admissions.

More than 14,000 persons annually are arrested for public intoxication in Maryland, and estimates are that 90 to 95 percent of these offenders are chronic alcoholics. The facilities which the State of Maryland has for alcoholism treatment and rehabilitation have been understaffed and overcrowded.

In his statement, Governor Agnew said that a recent study revealed that alcoholics and their families account for $6 million annually of the State welfare budget, with no services or attempts to restore them to economic independence.

The costs of this disease to the health, economy and safety of Maryland—indeed, the Nation—can no longer be ignored. The time has come—in fact, it is overdue—for the development of effective programs to curb and control a disease that constitutes the Nation's fourth ranking health menace and one of its leading social problems. We can no longer continue to burden our police, our courts and the entire criminal law structure with the responsibility for handling a problem that is in reality a matter for public health authorities.

Governor Agnew's proposed revision of State law "to reflect modern thinking and a more practical approach" to alcoholism is a hopeful indication, as are legislative efforts pending in Congress which would assist State and local governments in taking the growing problem of alcoholism out of courts and jails and making it the responsibility of public health and rehabilitation services.

I have cosponsored legislation which would affect this end—H.R. 8523 and S. 1508. This measure would establish a program of matching grants to States like Maryland for use in alcoholism projects such as are envisioned by Governor Agnew. The proposal would also establish, under the U.S. Surgeon General, an Office of Alcoholism, which would assist State and local agencies in developing alcoholism programs.

The same problems facing my own State of Maryland today are to be found in many localities across the Nation. And, with additional court rulings that States and local communities must change their policies in dealing with alcoholism, this national problem will enlarge and expand. In fact, such a case is now pending before the U.S. Supreme Court. Should that Court follow the line of recent decisions on the subject, Maryland's dilemma will spread to every State of the Union.

Obviously, States and communities cannot alter their policies regarding alcoholics overnight. Few have either the necessary treatment and rehabilitation facilities or funds for such institutions. Thus, this national program is urgently needed to give States and localities incentive and assistance in this vital area.

Maryland's Governor has pointed the way, not only for his State, but for the country. The time has come for congressional action to meet the problem of alcoholism in our society.

EMPLOYMENT AND TRAINING

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. AYRES] 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 Ohio?

There was no objection.

Mr. AYRES. Mr. Speaker, one of my principal concerns are for jobs for the unemployed and the proper training of our young people. We have inaugurated a series of legislative remedies in an attempt to improve the lot of those who have not been able to take their place in the industrial forces of our Nation. Oftentimes the results have been negligible.

I have often felt that this is because we have relied on the bureaucratic theorists as the drafters of this type of legislation. This is particularly true of the so-called Antipoverty Act.

I believe that it is about time that we turn to the experts in the field of employment—those whose job it is to do the hiring for our industrial, service, and retail organizations. Their services are available to us through the American Society for Personnel Administration.

This organization with its fingers daily on the pulse of manpower placement could well act as our advisers. Mr. Leonard R. Brice, executive vice president of that organization, has assured me that his many thousands of members would be glad to assist us. Mr. Brice has himself had a long background in the personnel field.

Just recently the Manpower Research Council, a nonprofit survey affiliate of Manpower, Inc., conducted a survey amongst a 25 percent selection of the ASPA membership. A total of 4,375,665 workers are employed by the 930 companies which responded to the survey.

According to Wiley I. Beavers, president of ASPA:

Eighty percent of those polled said the Federal government's Manpower Training Administration has not helped them find qualified employees; and the largest percentage of this group said that this was because the training was given in the wrong skills.

I believe that this most comprehensive report will be of great interest to my colleagues. I wish to congratulate the American Society for Personnel Administration and the Manpower Research Council for its public interest.

The report follows:

RESEARCH REPORT NO. 4: JOB TRAINING

The findings in this report have been compiled from information furnished by 930 companies throughout the United States.

We are grateful to the American Society for Personnel Administration for maknig it possible to include their membership in the research group. This has resulted in an increased number of participating companies.

A detailed analysis of the findings is contained on the following pages. Here is a brief summary:

The 930 participating companies had a total of 4,375,665 employees, an average of 4,705 per company.

It is the feeling of the respondents that numerous institutions are at work in the community to provide skill training, but 60% feel that this training falls short of their company needs.

This remissness is most serious in public high schools and public vocational schools, where many are not offering courses at all and many who are offering courses are not tailoring them to present-day business needs. This occurs despite the fact that local institutions are being provided with specific educational requisites.

Participants in the survey expressed great willingness to serve on advisory boards to correct the situation.

About 50% said they feel their universities lack adequate vocational training facilities and recommended public high school and in-plant training as the solution.

An overwhelming percentage (over 85%) are in favor of development of public vocationally-oriented technical colleges on a two-year basis.

In the area of in-plant training, the respondents are evenly divided in their estimate of the potential of in-plant training for opening up new opportunities in beginning jobs. Those who favor more in-plant training say their companies are handicapped by lack of time, lack of competent instructors to design and present courses, and lack of funds.

However, about 70 per cent stated they do not believe that Federal funds should be channeled to companies to subsidize development of in-plant programs.

The majority are not familiar with the proposed Human Investment Act, but feel it would be a spur to companies developing their own training program.

Forty per cent said they have revised their employment qualifications or tests since Jan. 1, 1966, including such measures as lowering of the level of schooling and ability required, and removal of limitations based on sex.

Seventeen per cent have established training programs primarily with a view to attracting minority workers. These were divided 50–50 on whether or not the programs have been successful. In the majority of cases, lack of success was attributed to difficulty in finding trainees and to the fact that trainees drop out, apparently because of lack of motivation.

The Federal Government's Manpower Development Training Administration (MDTA) has not helped find qualified employees for 80 per cent of the respondents; of these 32% feel that the training given is in the wrong skills for their business.

Only 19% have employed persons trained in Job Corps centers, and of that group, 60% regard the experience as satisfactory.

SUBJECT: JOB TRAINING SUMMARY OF FINDINGS

Total companies participating in survey	[1] 930
Total number of employees in participating companies	4,375,665

[1] Variance in the total number of responses resulted because not all respondents answered every question.

1. What institutions or companies are at work in your community to impart hirable skills to youth and to others in need of training? (Check all categories which apply.)

Public high schools:	
Number	906
Percent	100
Private (parochial) high schools:	
Number	567
Percent	62.6
Public vocational schools:	
Number	729
Percent	80.5
Privately owned business or technical schools:	
Number	640
Percent	70.6
Public colleges:	
Number	790
Percent	87.2
In-plant training programs:	
Number	731
Percent	80.7
Manpower development training program (Federal Government):	
Number	614
Percent	67.8
Job Corps:	
Number	428
Percent	47.2
Apprenticeship program:	
Number	580
Percent	64.0
Local chamber of commerce:	
Number	301
Percent	33.2
Local personnel groups:	
Number	280
Percent	30.9

(NOTE.—Most frequently mentioned were: Private colleges, universities, Urban League, State employment service, antipoverty programs, local industries.)

2. Does your experience indicate that any of the above training institutions fall short of meeting your company's needs?

Yes:	
Number	519
Percent	57.3
No:	
Number	234
Percent	25.8
No opinion:	
Number	153
Percent	16.9

3. If you answered "yes" to question 2, please indicate where you feel a specific problem area exists.

Problem area and training institution mentioned most frequently

No courses at all: Chamber of commerce; private high schools.

Poor instruction: Federal Government's manpower development program; Job Corps program; private training schools; public high schools.

No equipment: Public high schools; private high schools; public vocational schools.

Courses not regularly given: In-plant training programs; public high schools; manpower development programs; public vocational schools.

Courses not adequately given: Public high schools; public vocational schools; private high schools; manpower development program; Job Corps program.

Courses too short: Public high schools; public vocational schools; manpower development programs; in-plant training programs.

Antiquated equipment: Public high schools; public vocational schools; private high schools; private training schools.

No field experience: Public high schools; public vocational schools; private training schools; private high schools.

Tuition costs too high: Private training schools; public colleges; private high schools.

Courses not tailored to our needs: Public high schools; public vocational schools; Federal Government's manpower development program; private high schools; private training school; public colleges.

4. What courses for skill training do you feel private and public educational institutions should add to their curriculum to prepare the student for non-managerial jobs?

Most frequently mentioned were: More technical courses in public colleges; courses tied in with Federal Government's manpower development program; apprenticeship program and training.

5. Have you provided local training institutions with specific educational prerequisites for employment by your company?

Yes:	
Number	653
Percent	72.1
No:	
Number	253
Percent	27.9

6. Was this at their request or a self-initiated program?

Their request:	
Number	291
Percent	39.7
Self-initiated:	
Number	442
Percent	60.3

7. If called on, would you serve on an advisory program to review the correct vocational educational program in your community?

Yes:	
Number	793
Percent	88.5
No:	
Number	103
Percent	11.5

8. Does such an advisory council exist in your community at present?

Yes:	
Number	396
Percent	43.7
No:	
Number	201
Percent	22.2

Don't know:
Number 309
Percent 34.1

9. Do you believe your community lacks adequate vocational training facilities to raise skill levels and train people to fill jobs?

Yes:
Number 452
Percent 50.6
No:
Number 442
Percent 49.4

10. If you answered yes to question 9, which of the following solutions would you recommend?

More public vocational high schools:
Number 387
Percent 40.4
More in-plant training:
Number 210
Percent 21.9
More privately owned business or technical schools:
Number 131
Percent 13.7
More liberal apprenticeship rules:
Number 129
Percent 13.5
An enlarged Manpower Development Training Program:
Number 102
Percent 10.6

Others most frequently mentioned were: Increase scope and number in classes of technical schools, better curriculum and equipment, more experienced instructors, develop technical programs in senior high schools and junior colleges, vocational post high school courses geared to in-plant training, Government-funded programs through industry.

11. Do you favor the development of public vocationally-oriented colleges on a two-year basis (covering grades 13 and 14)?

Yes:
Number 770
Percent 85.4
No:
Number 64
Percent 7.1
No opinion:
Number 78
Percent 7.5

12. Do you feel that the phrase "vocational education" is: (check one)

Appropriate:
Number 417
Percent 47.1
Has connotations which are a deterrent to participation by potential trainees:
Number 468
Percent 52.9

13. Which phrase listed below would you like to see used to describe modern vocational education for children?

	Number
Career guidance courses	302
Technical courses	226
Occupational preparatory courses	201
Occupational training courses	150
Vocational-technical courses	123
Occupational courses	119
Vocational courses	58

14. In your opinion what new approaches to job training by the community would relieve the present shortage of skilled help?

	Number
Encourage high school graduates to attend technical schools	559
More assistance to vocational schools by advisory councils made up of business and industry	559
Set up two-year trade and technical colleges	524
Provide vocational guidance counselors in high schools	493
Let industry spokesmen talk to high school classes about what industry wants and offers	475
Make some practical courses compulsory in high school: shorthand, typing and office machines	408
Add more vocational courses to high school curriculum	404
Promote use of vocational guidance testing in high schools	390
Have high school students combine work and school	383
Enlarge programs of the public vocational school	383
Provide scholarship funds to enable high school graduates to attend technical schools	337
Change union rules which limit new hires and apprenticeships	266

15. Could you increase your new hires at all skill levels if you could provide in-plant training to upgrade present employees?

Yes:
Number 426
Percent 49.4
No:
Number 437
Percent 50.6

16. If Yes, what factors prevent such in-plant training from being given?

Lack of time:
Number 233
Percent 32.5
Lack of competent instructors to design and give courses:
Number 194
Percent 27.0
Lack of funds:
Number 115
Percent 16.0
Lack of employee motivation:
Number 89
Percent 12.4
Management does not consider this as a problem:
Number 87
Percent 12.1

17. Do you believe that Federal Funds should be channeled to companies in private industry to subsidize the development of these in-plant training programs?

Yes:
Number 155
Percent 17.1
No:
Number 631
Percent 69.6
No opinion:
Number 120
Percent 13.2

18. If Yes, to which of the following levels of training do you believe it should extend? (Rank in order of their importance—1 as most important, 7 as least important).

	1	2	3	4	5	6	7
Manual industrial skills	73	8	21	16	24	9	17
Office skills (typing, shorthand, office machine operation)	50	16	20	29	24	13	4
Semiskilled industrial	47	39	30	25	14	13	7
Skilled industrial	80	28	22	14	3	2	1
Technical	60	32	16	21	21	1	3
Nonmanagerial	13	3	3	5	20	54	24
Managerial	13	6	8	8	5	13	55

19. Are you familiar with the proposed Human Investment Act, which provides a 10% tax credit to companies carrying approved training programs?

Yes:
Number 322
Percent 36.0
No:
Number 572
Percent 64.0

20. Do you feel this proposed legislation will increase the number of companies developing their own training programs?

Yes:
Number 400
Percent 66.4
No:
Number 202
Percent 33.6

21. What in-plant training does your company presently provide (period from Jan. 1966 to date)?

	Number
Company conducts courses on company time	687
Indoctrination meetings	584
Company conducts courses on employee time	335
Non-tuition courses conducted by outside organization	259
None	72

Other most frequently mentioned were: Tuition refund program, tuition aid for courses conducted by private and public high schools and colleges, management training programs, supervisory training programs, graduate technical courses, on the job training.

22. Do you presently offer courses which are designed to retrain your employees so that they may move to a higher skill level?

Yes:
Number 466
Percent 50.7
No:
Number 454
Percent 49.3

23. If Yes, how many employees have done this since Jan., 1966?

Total ..... [1] 42,529

[1] This is less than 1 percent of the total number of employees in participating companies.

24. Do you presently offer courses in basic skills (reading, writing, arithmetic)?

Yes:
Number 91
Percent 11.2
No:
Number 720
Percent 88.8

25. If No, should such a course be made available to employees in your company?

Yes:
Number 186
Percent 25.7
No:
Number 539
Percent 74.3

26. Does your company have an educational tuition refund program?

Yes:
Number 777
Percent 84.6
No:
Number 141
Percent 15.4

27. If Yes, check the following which apply:
Refund is for only job related courses:
Number 518
Percent 66.7
Refund is automatic 100% if course is completed:
Number 284
Percent 36.6
Refund is percentage based on grade level achieved:
Number 152
Percent 19.6
Refund is limited to a fixed dollar maximum:
Number 104
Percent 13.4

28. Have you, in any way, revised your employment qualifications or tests since January 1, 1966?

Yes:
Number ---------- 373
Percent ---------- 40.3
No:
Number ---------- 553
Percent ---------- 59.7

29. If Yes:
Have you lowered the level of ability required?
Number ---------- 171
Percent ---------- [1] 45.8
Have you lowered the level of schooling required?
Number ---------- 165
Percent ---------- 44.2
Have you removed limitations based on sex?
Number ---------- 170
Percent ---------- 45.6
Have you broken jobs down into lower skills?
Number ---------- 66
Percent ---------- 17.7

[1] Some respondents checked more than one.

Others most frequently mentioned were: Increased school and ability requirements, eliminated some tests from testing program, have generally raised entry level skill requirement for clerical help, removed unrealistic requirements which were not truly job related, expanded resident area from which we recruit or hire, updated test material.

30. Have you established any training programs primarily with a view to attracting and training minority workers?

Yes:
Number ---------- 158
Percent ---------- 17.6
No:
Number ---------- 741
Percent ---------- 82.4
If yes, have they been on the whole successful?

Yes:
Number ---------- 78
Percent ---------- 50.7
No:
Number ---------- 76
Percent ---------- 49.3
If no, why not?
Difficult to find trainees:
Number ---------- 175
Percent ---------- 23.6
Trainees finish training, but do not stay on the job long enough to make it worthwhile:
Number ---------- 54
Percent ---------- 7.3
Trainees drop out during training, because of:
Number ---------- 81
Percent ---------- 10.9

	Number
Lack of motivation	77
Lack of education	38
Lack of ability to comprehend	47
Family problems	31
Inadequate pay during training period	23
Better off elsewhere	12
Go back to original job	3

31. Have the Federal Government's Manpower Development Training Administration (MDTA) programs helped you find qualified employees?

Yes:
Number ---------- 182
Percent ---------- 20.4
No:
Number ---------- 712
Percent ---------- 79.6
If No, why not?
Wrong skills for our business:
Number ---------- 229
Percent ---------- 32.2
No MDTA in our community:
Number ---------- 121
Percent ---------- 17.0
Not enough trainees to go around:
Number ---------- 113
Percent ---------- 15.9
Trainees won't move to job location:
Number ---------- 36
Percent ---------- 5.1
Others most frequently mentioned: Lack of motivation, training not satisfactory, too difficult for small company to work with MDTA and massive regulations, no information on programs or candidates.

32. Have you employed any persons trained in Job Corps Centers?

Yes:
Number ---------- 159
Percent ---------- 19.1
No:
Number ---------- 672
Percent ---------- 80.9

33. If Yes, what has your experience been?

Satisfactory:
Number ---------- 70
Percent ---------- 60
Unsatisfactory:
Number ---------- 48
Percent ---------- 40

SAM R. DAVENPORT

Mr. STANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] 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 Ohio?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I join in wishing Sam Davenport the best of everything as he retires from his position with the House as editor in the Coordinator of Information Office. Wisconsin was proud to have Sam as a resident prior to his coming to Washington. He served as a professor at the State college in Eau Claire for almost a decade where he became well known and universally liked and admired. He has been of great service to this House and its Members as the man who knew where to get the answers to any and every kind of congressional inquiry. Sam Davenport will be missed on the Hill. I wish him the best of health and happiness in his retirement.

CONSERVATION OF OUR WATER

The SPEAKER pro tempore (Mr. PRYOR). Under previous order of the House, the gentleman from Montana [Mr. OLSEN] is recognized for 30 minutes.

Mr. OLSEN. Mr. Speaker, the conservation of our water resources in this country will grow more and more important as time goes on. In my district in western Montana we have done some magnificent things to protect and make the best use of our water supply. Today farmland exists where there was once arid wasteland; today lakes exist where there were none before; today industry is possible and communities have sprung up in areas once considered less than habitable.

But there is more that must be done if we are not to fall behind in a race to assure our children an adequate water supply. Today I am introducing legislation in the House which could lead to a large step forward in that race. This legislation is designed to authorize the Secretary of the Interior to construct, operate and maintain the Jefferson-Whitehall unit of the Missouri River Basin project in Montana. The Reichle Dam and Reservoir and other related projects will, I know, reap impressive benefits for several of our central Montana counties.

Mr. Speaker, conservation of our natural resources must continue to be a priority item for this country.

As I look up the ravaged wastelands of this Nation, its polluted water streams, and the millions of acres that might be brought under cultivation, I am reminded of an early 19th century poet's lines concerning an ancient king whose crumbling statue and shattered visage looked out on nothing. For Shelley truly captured the spirit of that king's barren arrogance when he wrote:

> Nothing beside remains. Round the decay
> Of that colossal wreck, boundless and bare
> The lone and level sands stretch far away.

His dreams, if he had any, came to nothing.

How different from the inspiring features of our great leaders carved in the granite of Mount Rushmore in South Dakota. These likenesses of Washington, Jefferson, Lincoln, and Teddy Roosevelt can only serve to remind us of their leadership and their compassion for their contemporaries and for all future generations.

Their dreams left us a blueprint for action. Not only did they expand the boundaries of America, they were also responsible for programs of conservation and reclamation that have resulted in the harnessing of our streams and the conversion of millions of acres of wilderness and arid land to fertile plains. Their example should give us strength as we face three major crises in our country today—population, food, and water. And water is the determining factor, for without this commodity, all else will wither and die.

I need not remind this body that a world population of 1 billion has tripled since the beginning of this century; that by the year 2000 another 3 billion will be added to the population now on earth.

In America, our current population of 190 million people will have expanded to 245 million by 1980 and will be approaching 400 million by the year 2000.

In the West, our population will grow from its present 45 million to more than 110 million by the beginning of the next century.

We can expect our food requirements to double, and our demand for water to triple before the turn of the century.

The President's Science Advisory Committee on the World Food Problem reflects the challenge of these crises, when it stated in its report:

> The scale, severity, and duration of the world food problem are so great that a massive, long-range innovative effort unprecedented in human history will be required to master it.

And to quote from Senator Moss' recent book, "The Water Crisis"—

> Major Powell's dictum—that land use is limited by water availability—applies to the

modern West as much as to the one he explored. Irrigation may give way proportionately to industry use of water, but population growth alone requires large additional supplies. For recreation, for agriculture, for industry, or just for personal use, water remains the key to a West of full value to the Nation.

I agree with his further observation that this Nation cannot permit its narrow margin of reserve in water supplies; that water management of the future must put people beyond nature's caprice.

Today we must think boldly and undertake projects to guarantee future generations an adequate water supply. Montanans and other westerners can see at firsthand the fish and wildlife contributions made by a reclamation project in Washington's Columbia Basin development. Here water from the Columbia River has developed not only a rich irrigated area of a half million acres, but, in addition, it has developed scores of fishing and hunting areas where virtually no such facilities existed before. These areas contributed 1.7 million days of visitor use by sportsmen during 1966, and added 25 percent to the fish and wildlife harvest of the State.

Also, in Washington, they can see the plans for the recently authorized Touchet division of the Bureau of Reclamation's Walla Walla project. Here water storage has been provided for minimum flows in 90 miles of the Touchet and Walla Walla Rivers, which will help restore runs of Coho and Chinook salmon which have been virtually extinct in these streams. These and other fishery benefits constitute 51 percent of the potential contributions of the project.

The great West alternately faces periods of severe flooding and severe drought. Floods inundate vast acres of land; leaving havoc and destruction in their wake. Periods of extreme drought parch the land and impair both agriculture and tourism, two of the West's principal industries.

But even between these two extremes, the West remains today largely a semiarid region, dependent on an uncertain nature. Thus, westerners who are guiding the growth of their area are determined that water, their most valuable resource, shall be conserved and utilized not only for human consumption, but also for adding value to wasteland by irrigation.

In our efforts to keep pace with the water demands of our great West, we have, since the Reclamation Act of 1902, maintained an effective partnership between State and Federal Governments. This has resulted in the building of dams, reservoirs, and distribution facilities over the past 50 or 60 years. It has also involved the planning of badly needed current facilities.

One project that has been under study for the past four decades by both the State of Montana and the Bureau of Reclamation is the Jefferson-Whitehall unit. In southwestern Montana the water resources of the upper tributaries of the Missouri are, for the most part, generally confined to eroded channels or steep-walled valleys that are remote from potential areas of use, and frequently rather inaccessible. A complex development plan is necessary to get some of this water out of its channels and transported to areas of actual or potential need and at the same time to retain enough water in the streams to sustain fish and wildlife.

Most of the streams involved are valuable for fishing, but Montanans prefer to use their beautiful streams for both fishing and water supply. Now that the studies have been completed, the Bureau of Reclamation has tentatively proposed a plan of development that will provide flood control protection, bolster the economy of a population-declining three-county area, and at the same time, provide improved fishing and wildlife opportunities for residents and visitors.

Now just what does the Jefferson-Whitehall unit propose to do for southwestern Montana?

First of all, it would create storage facilities for spring flood runoffs which, uncontrolled, can erode stream channels, make flowing streams turgid and roily, and cause damage to homes, roads and agricultural lands. This project would bring flood control benefits estimated at $360,000 annually.

After the excess flows are stored, the water will be made available for multiple beneficial uses in a large area of western Montana. These potential uses include the irrigation of cropland, fish and wildlife enhancement, and public recreation. This pattern of converting a wasted resource to beneficial use has been applied in the arid and semiarid West for the past century, making large expanses of desert land green and living, creating economic prosperity in the irrigated cases and making increased fishing and water-oriented recreation possible for many thousands of residents and visitors every year.

The irrigation water from this proposed Montana project would be delivered to some 64,000 acres of fertile land in Madison, Jefferson, Silver Bow, Broadwater and Lewis and Clark Counties, generally adjacent to the Big Hole, Jefferson and Missouri Rivers and Canyon Ferry Lake. Nearly a third of this acreage is presently irrigated with an inadequate supply of water from tributaries of the Jefferson and Missouri Rivers. The rest is largely dry-farmed wheat lands, where seasonal and cyclical vagaries of the weather make farming uncertain and economically hazardous. Hence, the production of nearly a half million acres of surplus wheat will be replaced by feed grains, beets, potatoes, and livestock production.

Between 1950 and 1960, the total population of Broadwater, Jefferson and Madison Counties decreased by approximately 5 percent, while the rural farm population in these counties declined by 37 percent. We can ill afford this loss.

Besides stabilizing and diversifying the farm production of this declining area, the Jefferson-Whitehall project would provide new economic opportunities in project area communities, both during the 10-year construction period and afterward. New farming opportunities would be created for about 135 farm families and about 80 farm laborers. Jobs in service and trade establishments would be created for about 200 persons, making a total population increase of about 1,200 people in the five-county area. This extra population and business activity would generate nearly $3 million annually in increased spendable income, and produce about $675,000 annually in Federal, State, and local tax revenue.

These project purposes would be achieved by the construction of the proposed Reichle Dam and Reservoir on the Big Hole River; the offstream Milligan Dam and Reservoir, two diversion dams, the Jefferson and Townsend canals, more than 400 miles of supply and lateral canals, and necessary drainage works. Reichle Dam and Reservoir would be the principal storage and regulatory facility, with a storage capacity of 530,700 acre-feet of water. In addition to valuable flood control benefits, this reservoir would yield annually some 350,000 acre-feet of water—13.3 billion gallons—for irrigation, as well as recreation, and fish and wildlife sanctuaries.

Access roads, sanitation, parking, picnicking, camping, and boat launching facilities at Reichle and Milligan Reservoirs will be built at an investment cost of approximately $1 million, according to a National Park Service plan. Reichle Reservoir alone would provide about 10 square miles of boating, water skiing, and lake fishing, and 32 miles of shoreline.

I have urged the construction of the Jefferson-Whitehall project because it not only benefits the State of Montana but, more important, it is a link in the chain of many conservation projects that must be undertaken if the West is going to prove a suitable place for the masses in the next few years.

Where will 100 million additional people live? Should we not provide a suitable countryside for them, if they prefer the rural areas? Or are we going to repeat the mistake of forcing our masses into overcrowded cities? I believe our people should have a right of choice, and knowing westerners, it is not difficult for me to foresee their decisions to inhabit the more wide-open areas.

This Nation was founded on the inalienable right of our citizens to life and those common pursuits necessary to sustain life. This will call for millions of additional fruitful acres, for only in such manner can we provide abundant communities for future generations. The time has arrived for action.

We honor the wisdom of our great forebears when we extend the work they inspired. Let us get on with the grand design before it is too late. Knowing what lies ahead, we should make no little plans.

THE NEIGHBORHOOD ACTION CRUSADE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. BUSH] is recognized for 50 minutes.

Mr. BUSH. Mr. Speaker, on August 1, House Joint Resolution 759 calling for the organization of Neighborhood Action Crusades throughout the Nation's cities was introduced. Since that time elected officials representing 37 States have endorsed the crusade concept, including 10

Governors, 13 mayors, four Senators and 76 Members of the House, as listed below by State:

NEIGHBORHOOD ACTION CRUSADE

ALABAMA

Representative Dickinson.

ALASKA

Governor Hickel.
Representative Pollock.

ARIZONA

Governor Williams.

CALIFORNIA

Lieutenant Governor Finch.
Representative Pettis.
Representative Don Clausen.
Representative Mailliard.
Representative Reinecke.

CONNECTICUT

Representative Meskill.
Mayor Kinsella, Hartford.

DELAWARE

Governor Terry.

GEORGIA

Representative Blackburn.
Mayor Merritt, Macon.

HAWAII

Governor Burns.

IOWA

Representative Mayne.

KANSAS

Representative Mize.

KENTUCKY

Senator Thruston Morton.
Representative Carter.
Representative Cowger.
Mayor Schmied, Louisville.

ILLINOIS

Senator Percy.
Representative Arends.
Representative Rumsfeld.
Representative Railsback.
Representative Findley.
Representative Derwinski.
Representative Anderson.
Representative Collier.
Representative Michel.
Representative McClory.

MARYLAND

Representative Gude.
Mayor McKeldin, Baltimore.

MASSACHUSETTS

Representative Heckler.
Representative Morse.
Representative Conte.
Representative Boland.
Representative Keith.
Representative Bates.
Mayor Collins, Boston.

MICHIGAN

Representative Gerald R. Ford.
Representative Brown.
Representative Ruppe.

MINNESOTA

Representative Quie.
Representative MacGregor.

MISSOURI

Mayor Cervantes, St. Louis.

MONTANA

Representative Battin.

NEBRASKA

Representative Denney.
Mayor Sorenson, Omaha.

NEVADA

Governor Laxalt.

NEW HAMPSHIRE

Representative Cleveland.

NEW JERSEY

Representative Frelinghuysen.
Representative Dwyer.
Representative Widnall.
Mayor Kramer, Paterson.

NEW MEXICO

Representative Morris.

NEW YORK

Representative Goodell.
Representative Conable.
Representative Wydler.
Governor McEwen.
Representative Robison.
Representative Smith.
Representative Grover.
Representative Halpern.
Representative Addabbo.
Mayor Walsh, Syracuse.

NORTH CAROLINA

Governor Moore.
Representative Gardner.

NORTH DAKOTA

Representative Kleppe.

OHIO

Representative Stanton.
Representative Latta.
Representative Taft.
Representative Feighan.
Representative Brown.
Representative McCulloch.

OKLAHOMA

Governor Bartlett.
Representative Belcher.

OREGON

Governor McCall.
Representative Ullman.
Representative Dellenback.

PENNSYLVANIA

Senator Scott.
Representative Saylor.
Representative Biester.
Representative Eshleman.
Representative Johnson.
Representative Schneebeli.
Representative Corbett.

PUERTO RICO

Representative Polanco-Abreu.

RHODE ISLAND

Mayor Doorley, Providence.

TENNESSEE

Representative Kuykendall.
Representative Duncan.

TEXAS

Senator Tower.
Representative Bush.
Representative Price.
Mayor Welch, Houston.

UTAH

Representative Lloyd.

WASHINGTON

Governor Evans.
Representative May.
Representative Pelly.
Mayor Braman, Seattle.

WEST VIRGINIA

Representative Hechler.

WISCONSIN

Representative Steiger.
Representative Laird.
Mayor Festge, Madison.

The Neighborhood Action concept was advanced as a means of defusing the tensions then existing in our cities. Fortunately, those tensions lessened, at least to the extent that the violence subsided, without the nationwide involvement of the people which the resolution calls upon the White House to inspire. I hope that our good fortune in being spared additional death and destruction will not be taken as a signal that the problem is less acute. The passing of summer, and the heights of tension which seem to attend it, represents the hand of a higher authority than man. Without more, we can expect both to return.

We have a breathing spell until next June. Hopefully, these few months will be used to prepare programs which lessen the likelihood of repetition of the civil strife which has marred the summers of 1966 and 1967.

The underlying thesis of the Neighborhood Action Crusade offers that hope. As was indicated at the time of introduction of the resolution, it is not a panacea. It is generally agreed that fresh innovative solutions to the urban crisis must evolve. Unquestionably, a major new commitment of funds, both local and Federal, will be needed, but the efforts of governments alone will never be enough to resolve the economic, social, and psychological problems of which the riots are merely symptomatic.

Every level of society must join in cooperative, constructive action dedicated to achieving full participation of all Americans in our affluent society. The involvement of the business community is imperative if Negro Americans are to share equally in job opportunity. The private and independent sectors must be involved to provide the counseling and job training required to equip less affluent Americans to find and hold the jobs which exist. Governments must move to provide the educational opportunity which can prepare the next generation for the upward mobility it rightfully seeks. The housing problem can only be resolved within the framework of tolerance which is the sine qua non of residential mobility, and through programs such as the Home Ownership Foundation and other imaginative new approaches to diversified homeownership.

In short, the total community must become active in the solution of today's problems, which, it must be noted, extend into the small cities and the rural countryside.

This necessarily includes the less affluent members of our society. They too, must direct their energies through self-help programs, if their aspirations are to be fulfilled. It is here that the underlying concept of the Neighborhood Action Crusade must come into play. Ultimately, this proposal calls for the participation of the people themselves in the solution of the problems they face. A spirit of community must be energized at their level.

Local neighborhood leaders, the only truly natural leaders among any people, must be identified. Through them, the energies of the local residents can be brought to bear on the immediate personal problems of the individual.

There is much that they can do. Simple mechanical programs such as fix-up, clean-up campaigns, such as that recently undertaken in Spanish Harlem, can and do improve local living conditions. Improvised play areas can be fashioned out of vacant lots, and even alleys and side streets. Local residents can provide supervision for play on the im-

provised playgrounds. Educational trips and outings can be managed in the same way. Such activity can lead to a wide variety of voluntary programs such as homemaking clubs and productive cooperative homework assistance for children.

According to Richard Corneulle of the Center for Independent Action, the success of any program of this kind turns on spreading the work at levels which utilize the familiar abilities of large numbers of people. His success in mobilizing the private sector is the measure of his authority in point.

It is for this reason that we continue to urge the utilization of the Neighborhood Action Crusade approach. It will serve as a medium of communication between the residents on the block and the public authorities in each community. It will serve the efforts of both local authorities and indeed the Office of Economic Opportunity in their largely unsuccessful efforts to identify these leaders. Moreover, as can be seen from the following letters of the Governors and mayors the concept has been useful and will lend itself to further contribution to the solution of pressing problems, if it can be extended.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, August 22, 1967.

DEAR MR. GOODELL: I have read your proposal for the establishment of a Neighborhood Action Crusade to ease racial tensions with a great deal of interest.

Your suggestion that the volunteer program be patterned after the air raid warden system of World War II appears to have merit.

It is evident the riots have not been instigated by the responsible people in the various communities. If a volunteer program such as your Crusade would draw the active participation of these citizens, the effort should prove worthwhile.

With warm personal regards.

Sincerely yours,

WALTER J. HICKEL,
Governor.

OFFICE OF THE GOVERNOR,
STATE HOUSE,
Phoenix, Ariz., August 11, 1967.

DEAR GEORGE BUSH: Thank you for your letter of August first and the enclosed letter, written by you and your associates to the President.

Local action is always more effective than outside force. I hope that you receive favorable response and results from your suggestion.

Sincerely,

JACK WILLIAMS.

STATE OF CALIFORNIA,
LIEUTENANT GOVERNOR'S OFFICE,
Sacramento, August 31, 1967.

DEAR BILL: Thanks very much for sending me the material on the Neighborhood Action Crusade.

I think this is an excellent program, and Chuck Goodell is to be commended for his actions in this regard. Programs similar to this have been started in several communities in California, and I hope they will spread to other areas of the country.

Warmest regards,

Sincerely yours,

ROBERT H. FINCH,
Lieutenant Governer.

OFFICE OF THE MAYOR,
Hartford, Conn., August 30, 1967.

DEAR CONGRESSMAN BUSH: We were gratified to receive your letter with the information and plans which your Committee outlined in its joint resolution submitted to Congress. We share with you the sure knowledge that the overwhelming majority of our citizens—white and Negro—are opposed to disorder and violence.

I wish to emphasize that the nature of the disturbance here in Hartford had no racial overtones whatsoever. Personal, political power plays between two personalities were involved, both of them Negro.

From our first-hand experiences, we are aware also of the great need for increased communication between government and the citizenry.

We are also cognizant of the need to reduce tensions through the day-to-day attention to individual and community problems. Because of Hartford's understanding of these problems, we have attempted to develop governmental response through neighborhood centers and other efforts designed to translate citizens' involvement into total constructive community actions.

I believe that in Hartford and those cities with similar decentralized services we could successfully implement the Program design. Since this effort would require supervision, training, and leadership, we could employ additional personnel to spend the necessary man hours to develop positive relationships among the citizenry.

We look forward to future communication and the possibility of participating in the program; and we feel that it could have significant impact in tension areas.

Sincerely yours,

GEORGE B. KINSELLA.

STATE OF DELAWARE,
EXECUTIVE DEPARTMENT,
Dover, August 18, 1967.

DEAR REPRESENTATIVE BUSH: This will acknowledge and thank you for writing to me on August 1, 1967, offering your solution to the recent civil unrest in many of our large cities.

Your plan, which would initiate a Neighborhood Action Crusade, has great merit and interests me very much. At least it is a step forward in the right direction, in that it would serve to involve directly the residents of the troubled communities in solving their own problems. I think this aspect is most important, and coupled with national, state and local efforts will go a long way toward preventing the outbreak of future riots and disturbances.

I support you in your endeavor although I would like to point out that the list of Mayors which you have written asking for advice, omitted the Mayor of the City of Wilmington, the Honorable John E. Babiarz.

I am quite certain Mayor Babiarz would have much to offer in the way of constructive criticism and suggestions in the determination of means to cope with civil unrest and solutions to prevent future outbreaks. Wilmington, while not having received the national publicity as other major cities, nevertheless, has been troubled recently with civil unrest. As a matter of fact, as Governor, with the cooperation of the General Assembly, I have proclaimed a State of Emergency for the Wilmington area to prevent any major riots such as those experienced in Newark, New Jersey and Detroit, Michigan.

It has been my distinct pleasure to respond to you as you requested about your Neighborhood Action Crusade.

Sincerely yours,

CHARLES L. TERRY, JR.,
Governor.

EXECUTIVE CHAMBERS,
Honolulu, August 16, 1967.

GENTLEMEN: Thank you very much for sending me a copy of your proposal in your letter of August 1, 1967, to lessen tension in our cities through a Neighborhood Action Crusade.

While there is certainly merit in any program that effectively involves community action, it seems to me that President Johnson has offered some most significant and meaningful measures in this area, especially that generally called the Rat Control Bill. I am impressed by measures the President has proposed aimed at removing both the cause of the unrest and at maintaining peace and order, and I feel that his program deserves full support along with the financial means required to implement it.

As a supplement to that program, neighborhood action is most desirable. Such a program is being carried out with some success. In Hawaii, a neighborhood action program has for years contributed to improving the quality of life for our citizens. Though we have people of many different races and cultural backgrounds living together, we have neither the tensions nor the fearfulness of other regions.

Kind regards. May the Almighty be with you and yours always.

Sincerely,

JOHN A. BURNS.

CITY OF BALTIMORE,
August 16, 1967.

DEAR CONGRESSMAN BUSH: This is to acknowledge receipt of your recent letter and attached draft of legislation that you think will help to reduce tensions that are now threatening the lives and property of urban Americans. The Neighborhood Action Crusade, which you proposed, certainly has merit and will be carefully considered.

In Baltimore, I have seen the positive results that accrue when youth from slum neighborhoods are involved in worthwhile and productive activities. For example, Baltimore has a neighborhood recreation program commonly known as "Operation Champ," which allows neighborhood leaders to operate their own program. The success of this program has spread to other cities, and those city's officials have asked to come and see Champ in operation in hopes that they might establish a similar program in their city. In other areas of the city, where the Champ program is not scheduled, I have sought out and enlisted into the service of the city government, known neighborhood leaders who have the ability to galvanize public opinion. Thus in Baltimore, we have the recognized slum neighborhood leaders working for us and not against us.

In addition to recreation, the city has hired nearly 400 people to work and some of these jobs will extend past the summer vacation. The state has promised another 400 jobs and private industry has given us its full cooperation in providing additional employment as well as contributions of money and material. In short, in Baltimore, where there have been no mass disturbances this summer, I am responding to the legitimate grievances of the disadvantaged citizens with a program that will extend past the summer months in an ongoing effort to create a favorable atmosphere and attitudes for further progress for urban stability and growth.

Sincerely,

THEODORE R. MCKELDIN,
Mayor.

CITY OF BOSTON,
OFFICE OF THE MAYOR,
CITY HALL,
August 22, 1967.

DEAR MEMBERS OF CONGRESS: The proposed "Neighborhood Action Crusade" represents a positive approach to dealing with fundamental urban problems in that it relies on the leadership and involvement of neighborhood residents in the solution of neighborhood problems.

However, the brief proposal we have reviewed does not seem to offer any program or solution to problems, other than "volun-

tary citizen participation"—local leaders serving as "stabilizing influences." While in some communities such a program might serve as a first step, in Boston, neighborhood residents are currently developing and operating programs designed to get at the roots of disadvantage and poverty.

Through the OEO-supported community action program, eleven Area Planning Action Councils (APACs) have developed to reach out into the target area communities of greatest poverty to develop a two-way flow of communication and to provide constructive organization for the development and implementation of programs, services, and neighborhood development. Under the direction of indigenous boards of directors, drawn largely from the people being served, the APACs employ community organizers, program developers, technicians, and neighborhood aides dealing directly with the root causes and conditions that lead to riots. (More than 300 neighborhood volunteers are now serving as directors in neighborhood corporations, administering Boston's Anti-Poverty Program.)

Our training and employment programs are developing meaningful and productive work and careers for individuals otherwise relegated to the streets. The outreach activities of our Community Action Programs are seeking to serve and strengthen family units. With sufficient financial support, we are convinced that Boston's neighborhood-based APACs represent viable and constructive alternatives to lawlessness and violence.

While youthful volunteers have proved effective in some areas as "white hats" in breaking up disturbances on an ad hoc basis, institutionalizing them will likely destroy their effectiveness and legitimacy within their own community.

Personally I am convinced that our Boston Police have proved that they can handle disorder effectively and are a persuasive instrument of prevention. Experience of a minor skirmish has provided incentive for further training and preparation for riot prevention.

We are, however, deeply distressed by the reduction in versatile funds available to Boston for our community action program. The reductions imposed by the last Congress have severely hamstrung the efforts of our APACs in their target areas. We would certainly appreciate the infusion of resources through the city and the neighborhood-based Community Action Program that might otherwise go into the duplicating efforts of a proposed crusade.

Very truly yours,

JOHN F. COLLINS,
Mayor.

OFFICE OF THE MAYOR,
St. Louis, Mo., August 16, 1967.

DEAR CONGRESSMAN GOODELL: The idea of a "neighborhood action crusade to diffuse the tensions now threatening the lives and property of urban Americans" is a worthwhile consideration. There is no doubt that something must be done to alleviate the problems confronting American Negroes, particularly those confined to the poverty areas or ghettos of our great American cities. However, although worthwhile, the concept of a neighborhood action crusade is, in itself, not enough, and will be inadequate unless accompanied by the types of programs which are necessary to combat the causes as well as the symptoms of our City's problems.

I would support a campaign of this type locally only if I knew that, with the aid of state and federal government, the types of action programs that are needed would be funded and funded adequately. The programs must be designed to counteract the extreme concentration of lower income families in the central cities. We must direct our attention both toward the development of rural programs to reduce the influx of such families into the cities and toward the acceleration of upward mobility on the part of those already crowding our urban centers.

The problems that we face today relate to the unfulfilled promises that are being made by our political leaders at every level of government. We must now fulfill these promises. Before we can ask the people living in our poverty areas to help (or police) themselves we must be able to assure them that Congress, the President and everyone else concerned will provide them with the necessary tools and money.

The extensive aid needed from Congress is not merely resolutions but, instead, the development of legislation and appropriation of funds to carry out such programs as a greatly expanded War on Poverty and the Model Cities program. Congress's inaction to date is distressing. Instead of looking for solutions, they are dealing with superficial symptoms of the problems, calling for anti-riot legislation while cutting back on important appropriations for Rent Supplement and Model Cities. We in Saint Louis feel that the best way to combat our problems is to expand and improve urban programs. At present estimates this would call for one-half billion dollars in Saint Louis alone.

Saint Louis is firmly committed to the philosophy of citizen participation and has encouraged local action crusades of all types. Such participation to date has been frustrated and reluctant because of the mire of red tape and the lack of sufficient funds to carry out the programs citizens have helped design. The Saint Louis Model City proposal is only one example of such commitment on the part of myself and the citizens of Saint Louis to the methods which we all see as needed to rebuild Saint Louis into a truly great city.

We must solve our problems locally. But we are dependent upon you and other members of Congress for the resources that you can bring to us in order to combat poverty as we know it today. If Congress musters the right resources, the tensions found in American cities throughout the United States will be eased. Those who find upward mobility on the socio-economic scale within their grasp do not riot. We must make it our nationwide purpose to ensure that a marked increase in such opportunities is forthcoming.

Very truly yours,

ALFONSO J. CERVANTES,
Mayor.

CITY OF OMAHA,
EXECUTIVE OFFICE,
August 7, 1967.

GENTLEMEN: This will acknowledge your letter of August 1, 1967 to which you attached a copy of your July 27 letter to the President.

All this material refers to a "Neighborhood Action Crusade". You ask for my views. I assume you want me to be frank with you.

As I review your proposal, you place great emphasis on "volunteers" to serve their own neighborhoods. It's a laudable plan.

However, in practice, we find it very, very difficult to find volunteers in the ghetto areas.

Members of the clergy, as well as numerous civic leaders, have discussed with me, time and time again, their frustrations resulting from their inability to get citizens in the low-income areas to render volunteer service. Obviously some of the problem is related to the fact that these people have trouble enough making a living, and their time for any kind of extra curricular activity is indeed limited.

Your goals are most worthy. Actual implementation would serve a need.

I confess to you that I have serious doubts about the ability to recruit the volunteers your plan calls for.

Sincerely,

A. V. SORENSEN,
Mayor.

THE STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, Nev., August 16, 1967.

DEAR CONGRESSMAN GOODELL: Your letter of August 1st was concerned with a letter you wrote the President in the hope of providing suggestions to defuse the tensions threatening the lives and property of urban Americans.

I appreciate the views you expressed in your letter to me, in your letter to the President, and in the joint resolution in the House of Representatives which you also enclosed.

I don't think anyone can disagree with your proposal. We have had underway here in Nevada for some time a similar program in which we have tried to allay tension while, at the same time, have attempted to try to avoid bringing such tension into public focus. There is an element of contagion involved.

We have gone into the localities, I have appeared personally on television and expressed in the news media immediately on receipt of any information which might indicate tension hot spots around the state, some of the factuality surrounding the tensions.

I note in your letter to the President that you state you do not offer your plan as a panacea but that it could be a big step forward for the balance of the summer. I agree with this.

However, we seem to react to the surges of lawlessness, rioting, attacks on time honored American institutions, in a piece-meal fashion when we seek the remedy. It would seem that what we need more than anything else is a massive campaign to lead the country back to the standards of value which made it great, to public and private morality, and to resisting the tendency to blame society in general for the failures and trespasses of the few.

Thank you for writing to me and giving me the opportunity to express myself on this.

Sincerely,

PAUL LAXALT,
Governor of Nevada.

OFFICE OF THE MAYOR,
Paterson, N.J. August 9, 1967.

DEAR CONGRESSMAN STEIGER: I am grateful for your recent letter recommending creation of a Neighborhood Action Crusade.

You and your associates have pin pointed the most essential ingredient in maintaining calm and developing progress through mutual effort.

It is true in many cities that no overall, respected negro leadership exists. Indeed, varying leaders maintain rapport with individual segments of the population. We find that geography, economic status and many other factors seem to divide the community, and only truly indigenous leaders can communicate effectively with their peers.

In Paterson, we have operated for months on this theory, and have involved leaders from various segments of the minority community in continuous dialogues with the administration and in the actual creation of programs to serve their neighbors.

An Immediate source of organization strength in many cities lies in the Community Action Program. Here in our City, the Federation of Neighborhood Councils works in individual neighborhoods and serves as a sounding board for both the community and City Hall.

It was because of this close liaison between City officials and ghetto representatives that we have been able to maintain relative calm in our community. And from this program are emanating several fascinating new approaches to tackling the problems of the slum developed in work shop sessions with the residents themselves. Our own Congressman Joelson has been of great assistance to us in this effort.

Sincerely,

LAWRENCE F. KRAMER.

CITY OF SYRACUSE, N.Y.,
OFFICE OF THE MAYOR,
August 10, 1967.

DEAR CHARLES: Thank you for your letter of August 1st, 1967.

I am very much interested in the proposal made by you and other members of your Committee to the President of the United States. I think that it is an excellent idea to initiate action in the neighborhoods on a volunteer basis, and I propose to present your suggestions to the Mayor's Commission on Human Rights when I meet with them next week to go over possible ways in which the City and the neighborhoods can work to relieve the tensions that are developing in all of our cities.

Good luck.

Sincerely,

WILLIAM F. WALSH,
Mayor.

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh, August 15, 1967.

DEAR CONGRESSMAN: Thank you for your letter and the enclosed copy of your correspondence with the President relative to your suggestion to diffuse the tension in some American cities. I appreciate having this information and your suggestion that it might possibly be utilized in this State.

We have had a similar procedure in effect for some time in North Carolina. We have a State-wide Good Neighbor Council which works constantly at improving human relations throughout the State. In addition, a number of our cities and counties have local Good Neighbor or Human Relation organizations which work along the same lines in their communities. These councils have been a most effective means of communication on grievances, as well as concern over problems.

We feel that the Good Neighbor Council approach is working most effectively in North Carolina, and that it has been a major asset in our efforts to solve the problems of our people without violence or discord.

With best wishes, I am

Sincerely,

DAN MOORE.

STATE OF OKLAHOMA,
OFFICE OF THE GOVERNOR,
Oklahoma City, August 29, 1967.

DEAR CONGRESSMAN BUSH: Thank you for your letters of August 1, 1967. All economic and social segments of this state share your concern in this matter that has posed so grave a threat to the peace and security of our urban areas.

I have established in Oklahoma a Full Employment Commission. Under this commission a clearing house has been established to seek from Oklahoma employers all present and upcoming jobs to be earmarked for qualified individuals from sub-standard job opportunity areas. This program also places aspiring individuals into technical training programs to qualify them for future upcoming jobs. This program is designed to raise through broad-scale increased productivity and income of individuals, a significant improvement in both economic and social levels of a large category of heretofore underprivileged Oklahomans.

We feel this program is effective and is largely responsible for the forestalling of any precipitous action of a violent nature. We are, hopefully, establishing a climate wherein all ethnic and racial groups are participating in removing the causes of their frustration.

While the immediate short-term solution techniques suggested are excellent, we feel that the outlined long range program we are pursuing embodies the spirit of your splendid concept.

If I may be of further assistance or if I may provide further information please call upon me.

Sincerely,

DEWEY F. BARTLETT,
Governor.

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Salem, August 17, 1967.

DEAR CONGRESSMAN BUSH: Thank you for your letter and the copy of the House Resolution. As a short-term riot suppressant, the Neighborhood Action Crusade might prove useful.

I recognize that this program is not seen as a panacea; but this fact is of such fundamental importance, it must continually be reemphasized. I have heard in my contact with the Negro community in Portland that the only real solution is to open and expand opportunities for the Negro. Unless this is done, the neighborhood leaders will have nothing to extinguish the fire of frustration, futility, anger, and ultimately hate. So let us further resolve to create a society of opportunity and thereby assure a successful Neighborhood Action Crusade.

Sincerely,

TOM MCCALL,
Governor.

CITY OF PROVIDENCE,
EXECUTIVE CHAMBER,
Providence, R.I., August 24, 1967.

DEAR CONGRESSMAN GOODELL: I am in receipt of your letter of August 1st concerning your proposal to de-fuse the cities. While we have not officially initiated a "Neighborhood Action Crusade" in Providence, we did establish, during a recent disorder, a group of volunteers whose responsibility it was to provide continuing communication and positive direction in the effort to insure peace in the city.

Our group wore white helmets and patrolled the streets every night of the four days of the curfew. They were, in my estimation, responsible for the fact that our disorder did not precipitate into a riot. This group which was labeled the "Soul Patrol" was a group of anti-poverty officials and citizen volunteers.

In essence, I think that Providence has already undertaken a program like that which you have suggested, and I certainly would like to go on record in support of a national program modelled after our own here in Providence.

Very truly yours,

JOSEPH A. DOORLEY, Jr.,
Mayor of Providence.

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
Olympia, August 24, 1967.

DEAR CONGRESSMAN BUSH: At a time of national crisis, when all the resources of Municipal, State and Federal Government must be rallied to respond affirmatively to complex human rights problems, I was particularly appreciative of your letter of August 1, 1967, suggesting the initiation of a Neighborhood Action Crusade. The program represents a very tangible and constructive effort to meet the very serious and complex problems related to human rights.

In recent weeks I have devoted a good deal of my time, and I have given top priority to problems dealing with human rights in the State of Washington. I have conducted a series of meetings with traditional civil rights leaders, as well as individual conferences with a number of militant young adults from the City of Seattle, who have suggested to me some specific suggestions to alleviate some of the most serious concerns. Because of my direct personal contact with this issue in the State of Washington, I am in support of the proposed Neighborhood Action Crusade which you have initiated by your letter to the President. This type of program is consistant with my own thinking relative to this matter and I will be happy to cooperate in the implementation of this very unique concept.

Sincerely,

DANIEL J. EVANS,
Governor.

OFFICE OF THE MAYOR,
Seattle, August 10, 1967.

DEAR CONGRESSMAN GOODELL: This will acknowledge your recent letter, together with a copy of a proposed resolution relating to the establishment of "Neighborhood Action Crusades" in various cities.

I of course concur completely in the purpose of the resolution and the way it is proposed that it be implemented. However, I must point out that all of the suggestions made in the resolution are already in effect to one degree or another in existing citizen supported organizations here in the city of Seattle.

Most of these programs are either totally local in nature or are operations under the Economic Opportunity Act. The only difference that I see in the proposed resolution, with which I certainly agree, would be a more complete degree of local control of these programs. I will have to say, however, that up to this point our O.E.O. programs have been quite successful, and we have not been particularly hampered by autocratic interference from federal administrative bodies.

We have, of course, been concerned over some of the efforts to earmark the use of funds, but because of vigorous protest, this has been eliminated to a considerable degree.

However, your resolution would be an improvement to that degree, and I would consequently support it. I would, however, question that anything that will cause a hiatus in the operation of the agencies now under O.E.O. would be disastrous in our endeavors to keep a delicate balance in these troubled areas.

Sincerely yours,

J. D. BRAMAN,
Mayor.

CITY OF MADISON, WIS.,
OFFICE OF THE MAYOR,
August 8, 1967.

DEAR CONGRESSMAN GOODELL: I am pleased to support the resolution introduced by yourself and Congressmen Bush, Cowger, and Steiger. In this resolution you call for a Neighborhood Action Crusade.

I believe that the City of Madison has had such a program for sometime and is working diligently to modify it to recognize any imperfection that may exist.

Let me point out that the City of Madison in 1963 adopted an open housing ordinance which includes all dwellings in the City of Madison except owner occupied single family dwellings and owner occupied houses of four units or less. We have an Equal Opportunities Commission which has been extremely successful in dealing with complaints that have been brought to its attention. The Commission also has engaged in an educational program to inform people of our City about the ordinance and through this educational program has attempted to influence the attitudes of our people. In this area again it has been very successful. Today we have Negro families living in each of the 22 wards of this City.

I would say that we have made a great deal of progress in the past three years; however, I would not say that we have completely erased racial bias. This goal is yet to be attained.

Madison has always had several very effective neighborhood organizations. The Lake Wingra Community Council, for example, together with the Madison Housing Authority and the Common Council, has sponsored a moderate incoming housing development

which will provide housing for people in this income bracket who experience difficulty in finding adequate facilities. Other neighborhood organizations have been in existence for varying periods of time and with varying degrees of success. I do believe it is generally recognized in this City that neighborhood organizations can and do serve a very useful purpose to enunciate the problems that may exist in a given neighborhood, to bring the neighborhood together for a discussion about the proposed solutions, and finally to lend support to the implementation of these solutions.

The Mayor's Citizens Advisory Committee is attempting to set up a coordinating body so that the efforts of the individual neighborhood councils could be further strengthened through an overall City unit.

Therefore, I am pleased that you have sponsored a resolution in the Congress of the United States endorsing such a program as we have attempted to implement in Madison.

Sincerely yours,

OTTO FESTGE,
Mayor.

LABOR DAY MESSAGE BY GEORGE MEANY

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DENT. Mr. Speaker, the 1967 Labor Day message by George Meany, president of the AFL–CIO, was addressed to the Members of Congress as well as the public.

Since I think that what he said should be carefully considered by us, I include the message in the RECORD at this point:

THE 1967 LABOR DAY MESSAGE BY PRESIDENT GEORGE MEANY, AFL–CIO

This Labor Day finds the American people at mid-point in a great period of national decision.

It is not the kind of decision that is immediately expressed at the polls, although a political choice will be the ultimate result.

Instead, it is a process of re-thinking—of taking a new look at American society as it is and as it ought to be, and a new look at the role of the United States in world affairs.

These are the two main channels in which decisions are being made, on a whole range of separate but related issues, in the minds and hearts of all Americans. These two rivers of thought will eventually converge, and will blend into the great decision that will determine the shape of American life for many years to come, and perhaps the future of the world as well.

Let us first consider them one by one.

Recent years have brought sweeping changes in American society, stemming from a re-birth of idealism and keyed to the vision of America that most Americans cherish.

Beginning in 1961, and continuing at an accelerating pace through 1966, the American people—through their elected representatives, supported by a national consensus—launched an unprecedented campaign to exterminate the remaining evils which blurred that vision.

This campaign drove into the darkest corners. It went under all the rugs where problems had been swept for generations. It dared to make a frontal attack on the "gentlemen's agreements" that had sustained racial discrimination for two centuries. It boldly struck and overthrew the fearsome barriers to greater educational opportunity. It proudly proclaimed that poverty was not a natural state for any free man, and declared a war to end it.

And this wasn't all. Ugliness in every form became an enemy—the pollution of rivers and of the air we breathe; profiteering on essential drugs and the callous promotion of dangerous ones; extortionate interest rates and consumer deception; despoiled forests and littered streets—these abuses and many more were suddenly matters of national concern.

Since the end of 1966 the campaign has slacked off. The elections that November involved no national issue and showed no consistent pattern, but they were interpreted by many members of Congress as evidence that the voters wanted to pause a bit; not to stop the campaign, but to slow it down. We believe this interpretation was wrong. And by accepting it as a guide for action, or inaction—as we in the AFL–CIO repeatedly warned—Congress made a serious mistake.

It was a mistake because the campaign that began in 1961 was still only a beginning. It had identified the needs, and had started to meet them. But in so doing it opened the eyes and awakened the expectations of all Americans who suffered from the abuses at which it was aimed.

The result of the subsequent slowdown has been disillusionment among many and disorder by a few. The disorders, in turn—with calculated and cynical assistance from the enemies of progress—have led some Americans of good will to question the basic concepts of the campaign itself.

To put it bluntly, the conscience and idealism of the affluent majority is being tested in the crucible of reality. It is one thing to overflow with good will toward the disadvantaged who live a thousand miles away; it is quite another thing to recognize the comparable problems of those in the same city or the next block, especially if they are not asking favors but demanding rights.

It would be an unthinkable tragedy if conscience and idealism failed to meet this test. The mindless riots of this unhappy summer cannot be condoned. Arson, looting and murder have no relation to civil rights; they are criminal wrongs, and an affront to the very ideals which motivate the quest for a better society. But neither do the riots offer the slightest justification for calling a halt to programs that strike at the evils which breed riots.

Yet this is precisely what the reactionaries would do, and unfortunately there are troubled citizens, normally of good will, who are tempted to agree. They do not openly renounce their principles, but they are beset by doubts.

So they give no more than lip-service to the unfilled needs—not only to civil rights proposals as such, but to all the hopeful new programs to overcome poverty, ignorance and despair. There is a strong, cold undercurrent running against the idealism and the vision of recent years. Measures designed to help the poor are looked upon as measures to appease the rioters. This is a terrible untruth, but far too many have quietly accepted it as fact.

This is a time for the common sense of the American people to come to the rescue—for sense to overcome sensationalism. The criminal madness of a few must not be visited upon the many, of all races, who desperately need all the help and inspiration they can get. It is not just their future which hangs in the balance; it is ours as well.

This, then, is one of the channels of decision. The other, of course, involves the war in Viet Nam, and indirection, the role of the United States in world affairs.

For almost a generation—since World War II—this country has by the sheer force of events become not just the arsenal of democracy but its one principal defender throughout the world.

It is a new role for America, where isolationism was a tradition for so long. And it is a costly and uncomfortable role.

To defend the freedom of the people of South Viet Nam, we have committed almost a half a million troops and suffered many thousands of casualties. It is a bloody, dirty and indecisive sort of war, not at all in the American tradition.

It is a war that is especially difficult for some young people to understand. They have had no experience with despotism, or with conquerors. They cling to the simple faith that all governments are much like our own, in the sense that their policies are controlled by their people. And because the United States is a large country fighting in a small one, they talk in terms of imperialism and arrogance.

Along with them, with less excuse, march some of their elders, who have forgotten what they lived through. Against all the weight of history they assert that if only the United States would give way, the Communist forces would at once be converted to sweetness and light, in Viet Nam and everywhere.

To complicate things even more, there is still another group which maintains we should annihilate every nation whose leaders question the position of the United States. These super-hawks have no apparent concern for the future of the human race as long as the last survivor can wave the Stars and Stripes.

Here, too, there is an urgent need for common sense, a sense of reality and a sense of proportion. This is the second channel of decision now flowing through the American consciousness and the American conscience.

In both these channels, so different on the surface, the same question is involved: Are Americans prepared to invest in their future?

On the domestic scene—the first channel—the issue is massive social change, supported by massive amounts of money. It involves jobs at good wages for all. It involves the kind of universal and unlimited educational opportunities that will equip every American to fill these jobs. It involves an end to slums and to ghettoes, not on paper but in fact; and an end to discrimination, not on paper but in fact.

The record since 1961 is proof that investment toward these ends pays enormous dividends, in cold cash as well as warm hearts. Clearly the investment should be greater, not less.

In world affairs the issue is an investment in freedom. This is painful as well as expensive, for it demands lives as well as dollars. But here, too, the dividends are there for the counting. By defending the freedom of one small nation by arms, and by helping to preseve the freedom of many others with dedicated manpower and sound financial aid, America is making its contribution toward the attainment of a peaceful future for all mankind.

I said that these channels of decision converge, and indeed they do.

There are those who see very clearly the need to carry forward the war in Viet Nam, but are obsessed by its costs. They call for a moratorium on progress in America, a suspension of investment in a better life and in the fulfillment of the American dream, until a military victory is assured.

They are wrong.

There are also those who are deeply moved by the shortcomings in American society, and see the war only as a financial burden that should be cast aside, on any terms, in the interests of faster domestic progress.

They are wrong, too.

They are both wrong because progress toward the perfection of American society and

progress toward the security of other free peoples are inseparable parts of a single objective.

America can remain free and secure only in a world where freedom is secure. Freedom can be secure everywhere only if it is assured to all Americans.

This is what Americans must bear in mind during this period of national decision. It is my hope and my faith that they will decide wisely and well.

RONALD REAGAN: DISASTER IN GOVERNMENT

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Moss] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MOSS. Mr. Speaker, I have been intrigued by pollsters who, in their desperate effort to find a combination which might possibly give Lyndon Johnson a hard run in 1968 have come up with the ticket of Rockefeller-Reagan or Reagan-Rockefeller.

I am not sure what the poor souls polled thought about that combination, but the Sacramento Bee, noted for its intelligent reporting of the California scene, recently commented on Governor Reagan's foray into State government:

So far, a failure in reducing the costs of government, Reagan bids fair to be a disaster in the fields of humanity and intellectuality.

The Bee concluded its Reagan profile:

It would be national suicide to reward such a man with the custodianship of any larger area of government than the one he has now.

This is sound advice.

Gov. Ronald Reagan might be nice on the late, late show, but I would not want to have him as my President or even my Vice President.

He has made cuts in education and in mental health. California's colleges are fast going downhill in the new atmosphere of "business as usual."

I can sympathize with the poor citizen being asked about Governor Reagan and, for his edification, I enter in the RECORD an intelligent and piquant editorial from the Sacramento Bee which gives us all a picture of the man who left Hollywood for General Electric, but wound up in the State House at Sacramento:

GOVERNMENT IS MORE THAN BUSINESS

In a recent nationwide interview on television Gov. Ronald Reagan reviewed his governorship to date and asserted he had laid the basis for spectacular reform and improved state government.

What did reform and improvement mean in the words of Reagan? It meant cutting expenditures. And how was he to cut expenditures? Through the advice of his task force of businessmen who are putting every part of the state government under a microscope.

And what were the businessmen seeking? Why, means of further cutting the costs of government.

There is nothing wrong about conducting government in a businesslike manner. But the substance of business is in the main directly opposite to the substance of government. Private business seeks private profit. Government, when it is properly run, seeks to provide services to every segment of the population.

A quarter of a century ago America had in President Calvin Coolidge a man who like Reagan, believed "the business of government is business". Never once in the television interview did Reagan mention any segment of the population but business.

Never once did he speak of the poor, of the sick, of the slums, of the need to improve governmental services in any other way than slashing, cutting and trimming costs.

To be sure Reagan spoke of the people, but he cut it no finer than that. In listening to him, his audience would be justified in concluding that Reagan equated the people with business, the voter with the business man.

As a matter of fact Reagan has fathered the highest budget and tax hikes in the history of California.

His cuts have been deepest in the fields of education and mental health. These cuts easily could begin the most ruinous flight of all times from the state's modern and liberal tradition.

Those who have labored hard to improve mental health care had attained one of the greatest ends in the treatment of the mentally sick—the open ward. As a consequence of Reagan's cutbacks in the staff of the mental hospitals, wards, once open, front and rear, are locked tight. Where this has occurred a century of progress has been wiped out in six months of Reagan's tenure.

The university and colleges have had difficulty in filling their teaching staffs as word sped throughout the nation that California was adopting policies hostile to a good teaching climate.

So far, a failure in reducing the costs of state government, Reagan bids fair to be a disaster in the fields of humanity and intellectuality. It would be national suicide to reward such a man with the custodianship of any larger area of government than the one he now has.

POSTSECONDARY EDUCATION

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SCHEUER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHEUER. Mr. Speaker, one of the cherished ideals of our society is equal educational opportunity for all flowing from one of the liberal precepts upon which our form of government was founded—the perfectibility of man; it has been echoed throughout the years, and was summed up most succinctly by President Johnson when he said:

From the very beginnings as a Nation, we have felt a fierce commitment to the ideal of education for everyone.

The Congress of the United States has expressed its willingness to embrace this ideal. Through several measures—the GI bill, the cold war GI bill, the National Defense Education Act, the Vocational Education Act, and the Higher Education Act—Congress has taken several giant steps toward making universal postsecondary education a reality. But these attempts have not been unified, have not been directed and purposeful, have not been broadly effective.

There is a direct and provable correlation in today's sophisticated, automated, technological society between a person's economic status—his income, his tax rates, where he lives—and the amount of education he has received. And the omissions of the father are visited upon the son, for the children of such low-income families have a difficult time attending school, even if they qualify academically. In 1960, 78 percent of high school graduates from families with incomes of $12,000 or more attended college, contrasted with only 33 percent of the high school graduates from families with incomes of $3,000 or less.

Over the years, and particularly in recent months, there have been a flurry of proposals of how to make universal educational opportunity at the post-secondary level a reality. The proposals range from outright grants covering all tuition and expenses—like the GI bill—to various tax deductions and credit proposals, and loans of one sort or another.

However, there has never been a comprehensive study of the history of these programs, of the current plans and proposals; no attempt at a comprehensive evaluation of them, and no recommendation of any favored proposal to the Congress for its deliberations.

Therefore, Mr. Speaker, I am today introducing a bill which will take Congress a major and fundamental step forward, toward enabling our Nation to realize our goal of equal educational opportunity for all. The bill requires the Secretary of Health, Education, and Welfare to make a study of various plans which would provide practical means and programs for providing universal educational opportunity, and return to Congress by next August with a concrete recommendation.

The Honorable RALPH YARBOROUGH, senior Senator from the State of Texas, and a distinguished member of the Senate Committee on Labor and Public Welfare, is introducing a similar measure today as an amendment to the Senate Higher Education Act Amendments of 1967.

In the course of recent hearings before the Special Education Subcommittee of the House of Representatives, Under Secretary of the Treasury, Joseph W. Barr, and U.S. Commissioner of Education, Harold Howe, expressed their eagerness to perform just such a study as it pertained to the GI bill, which, for instance, cost this Nation $14.5 billion, provided for tuition, fees, and subsistence, and yet repaid for itself in the form of increased tax payments in less than 15 years, and, it is estimated, will repay for itself two to three times over within the earning lifetime of the individuals who benefited from it.

The average cost of post-secondary education—both college and vocational—is more than $1,500 per year; for the average family the cost of sending a child to college is the second largest expense in their budget—only a home costs more. These costs are spiraling upwards and will continue escalating; statisticians estimate that tuition for higher education will rise by 50 percent in both public and private institutions over the next decade. Viewed in the context of today's median family income of $6,000, the ever-increasing costs of post-secondary education is progressively pricing it right out

of the market for millions of young Americans.

The words of Sir Arthur Hugh Clough, written nearly 120 years ago, ring more than ever true today:

Grace is given of God, but knowledge is bought in the market.

Mr. Speaker, we must move quickly and decisively to see to it that access to the marketplace of vocational and academic education is made available to every young American with the will to learn.

COMMENDATION OF MR. ARCHIE MOORE

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LEGGETT] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LEGGETT. Mr. Speaker, Archie Moore, who became light heavyweight champion of the world at age 39 and remained champion until age 50, is now fighting his toughest match against juvenile deliquency and racial hatred.

The Old Mongoose, who registered 136 knockouts during his 29½ years in the ring, is successfully teaching boys dignity and self-respect. Since he left the ring, Archie has started programs that teach youngsters spiritual, moral, and physical strength.

Archie teaches boys good citizenship through athletics. He runs the Los Angeles Little Dodgers, the Better Boys Foundation and Archie Moore Gym, and the ABC—any boy can—best foot forward program. According to Archie, if a boy has confidence that he can defend himself, he can "walk away from trouble without cowardice but with courage and dignity."

If walking away from trouble does not work, Moore drills his students to "strike like a cobra or an automatic (pistol)" at the delinquents that set upon them.

The fighter also gives his boys spiritual and moral guidance. He likens boys to flowers that cannot grow straight and bloom without "the sunlight of basic religious teachings." If the boys tell one lie they are out of Archie's program. If they have done something wrong, they discipline themselves by not accepting privileges.

During the rigorous physical and mental drills of the ABC program, the boys recite in unison their purpose—"to live with dignity, put our best foot forward and become good citizens." They chant what a good citizen does do: "Go to school." "Get a high school diploma." "Go to college." "Go to church." "Be a good American." They shout about "good sportsmanship" playing the game fair and square at all times" and "being clean inside and out."

Moore's ritual of antivandalism continues as the boys shout what a good citiben should not do: "Lie. Cheat. Steal. Smoke. Drink. Gamble. Vandalize. Start riots."

There is nothing corny or discomforting about the boys drill performance. The ritual and their devotion and admiration for Archie give them the impetus to accept and defend these ideas.

Every boy wants to amount to something—

Archie says.

He wants to have pride in himself.

Archie aims his ABC program at young boys—ages 8 to 15—whose patterns and goals in life are just forming. He motivates them toward definite goals, such as becoming doctors, lawyers, salesmen, policemen, clergymen and teachers. Often, his boys have never known a man that they could respect and admire, who took an interest in them.

The example of Archie's life and his ideas, keep them ferverently devoted to his program and his teachings. One of Archie's proudest remarks is that any of his boys would speak up for his beliefs in a critical moment.

Archie's motto is "Face the future with harmony for all mankind." He compares it to the five lines and four spaces in music. The lines E, G, B, D, and F signify "Every Good Boy Does Fine."

And all of his boys do do fine. Archie's ABC program has been an astounding success. The average grades of the boys in his program have raised from a D plus to a B plus. Vandalism and juvenile delinquency in Vallejo, where Archie began his pilot ABC program, decreased 99 percent. Vandalism costs sank from $7,000 to $70 a month. The boys' self-esteem has grown along with their aspirations, improving their dress, behavior, personal hygiene, and grades.

Archie had the same problems and fears as a boy as his students do.

My early years were filled with bitterness—

He says:

Bitterness between the Caucasians and their refusal to try to understand the plight of the non-white. It led to plenty of embarrassing circumstances. I was beaten, I was afraid, and I was forced to run.

When he was 7 years old, Archie witnessed a phenomenon that changed his life. As he was hauling ice home to his aunt and uncle in Mississippi, he heard shouting and screaming from behind a fence. Peeking through a hole in the fence, he saw two men with gloves on fighting fiercely.

To me this was the greatest scene I had ever witnessed—

Archie declares:

I saw that man shouldn't run but stand and fight. And from that day I became serious about doing just that—standing and fighting.

Archie has been standing and fighting for 6 years now trying to teach this experience to boys. He gives a boy dignity by teaching him to stand up for himself and to respect others property.

Right here in this ring—

Archie said—

this is where differences should be settled, not in the streets brawling and rioting.

Now Archie, who is an OEO consultant, is seeking to organize his programs on a nationwide and worldwide scale. He wants to take teams of qualified people to the troubled areas of our cities to teach people dignity, self-respect, and harmony with one another.

If some bigot can misguide—

Archie eloquently said in the San Diego Union—

then I can guide. I've spent too much of my life building what I've got, to put it to torch just to satisfy some ancient hatred of a man who beat my grandfather. Those men are long dead. Do we have to choke what could be a beautiful garden with weeds of hate? I say no! And I stand ready to start "Operation Gardner." I invite the respected Negro leaders of our country to join me.

REPUBLICANS PLAY POLITICS WITH THE CRIME PROBLEM

Mr. TENZER. 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 pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker—

What the Republicans are doing may be good politics . . . But they may be doing the Nation a disservice.

This observation concerns recent public statements by various Republican groups attempting to discredit the administration's historic program to improve law enforcement and reduce crime.

It was contained in an article by Ronald J. Ostrow in the Los Angeles Times, September 5.

Mr. Ostrow points out that Republican allegations "give the public the impression that panaceas, such as renewed bugging, will do the job that demands years of comprehensive programs."

Mr. Speaker, I respectfully include this article in the RECORD:

GOP SEIZES CRIME ISSUE BUT MAY DEFEAT CRIME FIGHT

(By Ronald J. Ostrow)

It was only six months ago that politicians were shaking their heads in awe over the way Lyndon Johnson had adroitly snatched the crime issue away from Republicans.

But now the GOP has regained control of the issue that Barry Goldwater introduced during his campaign for the presidency.

What the Republicans are doing may be good politics—and possibly rewarding—over the short haul. But they may be doing the nation a disservice.

The Republicans are zeroing in on organized crime by challenging the Administration ban on bugging and wiretapping. At most, this is a tiny part of the fight against crime.

They're also broadening their criticism of Administration crime-fighters by incorporating urban riots and Negro super-militants in the "crime wave" they seek to push back.

This kind of packaging is likely to make lawlessness the No. 2 issue of the 1968 presidential campaign, right behind Vietnam.

So convinced are the Republicans of the crime issue's vote-getting appeal that they're betting both ways on it.

On the one hand, a group of Republican moderates in the House have accused Mr. Johnson of ignoring his own crime commission's proposals for combating organized crime. On the other, House Republicans

teamed with Southern Democrats to emasculate the omnibus anticrime bill that resulted from the commission's 18 months of study.

There's far more at stake in this fight than which party will be credited eventually with beating back crime. The partisan battling could defeat the war against crime before it really gets under way.

The Administration bill carried out the crime commission's proposal for reshaping and upgrading police, providing for a system of federal grants and matching funds for this purpose. In the past, state and local funding too often has been wasted, either because politics influenced the spending or because the needed expertise for best use of the money was lacking—or for both reasons.

The Republican-Southern Democrat coalition pushed through the House a measure that would give state governors—not the U.S. attorney general—control over spending the federal law enforcement research grants. Under the bill top priority would be given projects to squelch riots and fight organized crime.

By putting such stress on equipping police to put down riots, the bill ran counter to a basic theme of the crime commission report: the need to view crime in its totality and to strike at its root causes.

Before this nation can hope to reduce crime significantly or lastingly," the commission said, "it must mount and maintain a massive attack against the conditions of life that underlie it."

The emphasis on spending federal money for combating riots came on top of another House-passed bill that would make it a federal crime to cross a state line with the intent of starting a riot.

Like most political claims as the heat of an election year draws near, there is some truth to the GOP's indictment of the Justice Department's anti-racketeering campaign.

The drive has lagged since Robert F. Kennedy resigned as attorney general. He had assigned a No. 1 priority to the organized crime fight.

The slowdown also has reflected the efforts of the department's organized crime and racketeering section to uncover past and pending prosecutions that may have been tainted by illegal eavesdropping—in line with a directive by Atty. Gen. Ramsey Clark.

In the wake of Kennedy's departure, the section's force of lawyers dropped to a low of 38. It has since been built back up to 60. A May, 1966, directive by President Johnson renewed an inter-agency campaign against organized crime, but the drive still falls short of the all-out assault stewarded by Kennedy.

This substance to the Republican criticism, however, does not excuse vastly over-simplified charges. These allegations give the public the impression that panaceas, such as renewed bugging, will do the job that demands years of comprehensive programs.

What of the firearms control bill which had strong commission backing?

The bill, at best, is stalemated. Its leading Senate opponent, Sen. Roman L. Hruska (R-Neb.), is one of the chief advocates of permitting law enforcement bugging as a means of curbing crime.

When the crime commission's findings and recommendations were announced in February, officials invoked the ghost of a similar body—the Wickersham Commission—to make a plea for public support.

This commission, appointed by President Hoover in 1929, also received widespread commendation for its labors. But its reports became mired down in the fight over prohibition and were overshadowed by the depression.

Now, 37 years later, the controversy over eavesdropping and the national concern over urban riots could deal President Johnson's crime commission an equally cruel place in history.

THE RIGHT TO STRIKE

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HOLLAND. Mr. Speaker, Labor Day has just passed and we have all been regaled with a long series of speeches about how everyone respects and honors "labor's hard-won rights." Even the most hard-bitten conservatives among us pay lipservice to the notion that "we can't return to the days when labor relations were run according to the rules of jungle warfare." Everyone, on these Labor Day weekends, talks about labor's rights.

Then, the Ford Co. goes out on strike. Then some schools in several large cities go out on strike. Then, Mr. Speaker, we begin to hear the other shoe drop. Everyone continues to assure us that he respects the right to strike. But to respect a right in the abstract is painless, if you always reserve the right to object to any specific person's right to strike against a specific industry. The same people who assure us that labor has the right to refuse to work when working conditions are unacceptable now tell us that "the public can't accept" strikes by automobile makers, schoolteachers, airline employees, railroad workers, and so forth. I am always at a loss to understand the reasoning that says that some people are so essential to the "public interest" that they simply have forfeited the right to say they will not work for unacceptable wages or under unacceptable conditions. I do not understand how we can claim to have eliminated slavery and then turn around and say that some Americans must work, whether they want to or not, at specific jobs under whatever working conditions their employers see fit to afford them. And this is particularly hard to understand when the same people talk most noisily about some strikes being "unacceptable" are usually to be found among those who most vigorously defend the employers' right to be hard-nosed about collective bargaining. Or maybe it is not so hard to understand.

Mr. Speaker, William F. Schnitzler, secretary-treasurer of the AFL–CIO, has commented more eloquently than I can on the basic human freedom to organize, to bargain, and go on strike in his own 1967 Labor Day message. I include this message at this point in the RECORD:

LABOR DAY MESSAGE, 1967, BY SECRETARY-TREASURER WILLIAM F. SCHNITZLER, AFL–CIO

As we in the labor movement pause each Labor Day to take stock of what has happened during the last year and what we hope for in the year ahead, we invariably find in this inventory a mixture of old and new.

There are always new hopes, of course, for this is the nature of our movement. And there are always new problems, since they are a product of progress. But there are also old hopes, not yet fulfilled, and old issues, not fully resolved.

One of these issues is by its very nature a continuing one, and that is the rightful role of the labor movement in our free society.

It is a continuing issue because there is continuing change, both in American society and in the labor movement. The shape of the national economy changes, and so do the functions of government. New generations of workers come into the labor force and into the trade unions. New leaders emerge in labor, management and public affairs. Neither the problems nor the people are constant. Therefore a periodic re-examination of labor's role is not only wise but unavoidable.

There are, of course, a few immutable fundamentals.

Workers organize unions because it is the only way they can have an effective voice in determining their wages and other conditions of employment.

The resulting process of collective bargaining not only is incorporated into the official policies of the United States, but has the support of a great majority of the American people and is accepted by most employers of any consequence.

In other words, it is obvious to all sensible Americans that collective bargaining is the only practical way to conduct labor-management relations in a free, modern society.

But this general consensus leaves out important particulars. One of them involves strikes.

Almost everyone who accepts the idea of collective bargaining also claims to believe in the right to strike. Unfortunately, this belief sometimes wavers when it runs into reality—such as a specific strike that annoys or inconveniences the believer.

At such times, some of those who loudly assert their support of unions in general are found in the camp whose motto is "There ought to be a law." They say that in one case or another, disputes should be resolved by compulsory arbitration, by labor courts or some similar device.

Yet in fact it is the right to strike that gives meaning to collective bargaining, and without that right the whole structure of labor-management relations would collapse. The negotiation of a contract involves basic economic decisions which in a free society should be made by the parties themselves.

There are two fallacies that provide the principal foundation for the idea of compulsory arbitration.

One is that there is always a "right" or "fair" solution to a labor dispute, which a wise outsider could determine. On what basis could such a determination be made? Obviously the decision—like arbitration awards of any kind—would be heavily influenced by precedent, by existing standards elsewhere and by the inherent tendency of such proceedings to compromise between the positions of the litigants.

Such a system would be a built-in brake on progress. It would limit future gains to patterns already established. There would be no new precedents set, for the power to break through old barriers would be gone.

This would not just be bad for union members. It would blight the economic growth of the nation, and lead swiftly and inexorably to an erosion of purchasing-power and a resulting collapse.

The other fallacy is that strikes are often incompatible with the "public interest." A part of this fallacy is that strikes are frequent. This part is easily exploded by an example: Strikes have "cost" only half as much time as industrial accidents and a fraction of the time lost through illness—or coffee breaks.

What about the rest of this fallacy—the so-called "public interest" strikes?

First, a distinction must be made between those strikes that cause public aggravation—a newspaper strike, let's say, that deprives readers of the comics and the columnists—

and strikes that really threaten to cause lasting damage. When the former are sifted out, very few remain.

With respect to those few, the labor movement takes this position: If workers are to be denied the freedom to strike for reasons genuinely involving the national interest, two other provisions must apply. The best possible alternative mechanism must be created for resolving disputes over conditions of employment; and the industry or service where strikes are forbidden must not be operated for private profit.

Surely a basic freedom should not be surrendered without some assurance that justice can otherwise be obtained; and surely this freedom should not be sacrificed for the benefit of private gain.

Let us turn now from the primary function of trade unions to the labor movement's broader role—in some respects an even more important one.

For many years, the AFL-CIO and its predecessor federations have realized that the progress of wage-earners is inseparable from that of America as a whole. We are proud that as our numbers have grown, we have been able to fill with increasing effectiveness the role of people's lobby—advocating and supporting measures that lead toward a better life, with full and equal opportunity for all.

Only a handful of our legislative goals are concerned with unions or union members as such. They are heavily outweighed by the whole range of public issues in which we are involved—civil rights, education, housing, Social Security, medical care, the beautification of the countryside and the purification of rivers—these and all other matters that relate to the general welfare.

We are the only large national force, as diverse in membership as America itself, that can speak for those who have no other voice—not just for union members, but for all. This is our mission. And let us, as we reexamine where we are and where we are going, re-dedicate ourselves to its more effective fulfillment.

HOW TO WRITE YOUR CONGRESSMAN

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HOLLAND. Mr. Speaker, last year I introduced a bill to improve the public employment service. A companion bill passed the Senate, but no action was taken in the House. During the course of our deliberations on this legislation, I received a number of vituperative letters from opponents of the bill, and toward the end of the session I took a special order to talk, to some extent about the bill itself, but to a greater extent about the danger to representative institutions which I saw—and still see—in situations in which the opponents of a given bill must stoop to character assassination or to questioning the patriotism or the legitimacy of its sponsors. I said then, and I still believe, that this kind of opposition is, in the short run, harmful to those who practice it, and, in the long run, harmful to the Republic.

Fairness requires of me that when those who oppose such legislation make a sincere effort to avoid these tactics, that I should also take note of that. In a recent edition of the newsletter of the National Employment Association, Mr. A. G. "Bert" Hayes, president of the association, has written a column advising his members how to go about communicating their views to Members of the Congress. Mr. Hayes offers his advice on the apparent premise that Members are grownups, that they are likely to get irritated if they are told that they or their colleagues are bent on wrecking the American way. Mr. Hayes' column is, I think, of value not only to the members of NEA, but to the members of many other organizations interested in legislation. As freely and frankly as I condemned a very few of the NEA members last year for their vicious attacks on last year's bill, so freely and frankly I must compliment President Hayes for his column of this year. There is an administration bill before the Congress this year and I suspect the substantive points at issue between the proponents of this bill and the private employment agencies have not changed significantly. But if President Hayes' advice to his colleagues is followed, the atmosphere in which the bill is considered can change for the better—and this, I think, will be in everyone's interest.

By unanimous consent, I include the column by Mr. Hayes at this point in the RECORD:

THE GOSPEL ACCORDING TO HAYES, OR LOVE THY CONGRESSMAN

Today, brethren, I'm going to preach to you. The lesson for the day is Courtesy, or How to Write Your Congressman.

Our NEA Director of Governmental Affairs has told me of more than several complaints he has received from Congressmen whose constituents have reacted rather violently in print to the introduction of H.R. 11280, the Employment Service Act of 1967. In some instances, statements have been made questioning the ancestry or national allegiance of several of our representatives on the Hill. Believe me, this is not the way to win friends, but it does influence people . . . the wrong way.

There are many ways to express your opinion on a given legislative proposal without resorting to name calling, threats, or intimidation. The majority of our members who have taken the time to make their opinions known have done so in mature and thought-provoking statements. But, as you all know, it is the "lunatic fringe" or the frenetic few by which an organization or group of people is sometimes judged regardless of the good intentions involved.

Now, how do you go about contacting your Congressman? There are many ways . . . by letter, wire, telephone, personal contact. All are effective if properly handled. I would suggest, however, that you not send form letters, petitions, or personalized letters that merely "parrot" the ideas of someone other than the writer. Neither the Congressman nor his staff is stupid. They can tell when they receive a quantity of letters or other communications that are repetitive both in style and content. The sum total of such an effort is zero. The first form letter, petition, etc., is read and all of the rest are filed in the nearest wastebasket.

All of you have received a quantity of information about the bill from our staff in Washington. Contained therein are suggestions on how to inform your elected representative. This material is to keep you abreast of what's going on in the Capitol. How you react is your own business, but you should not merely attach your calling card to the legislative bulletin and send it to Congressman Joe Doakes as representing your personal opinion. At least take time to read the bill, form your own conclusions, and then react accordingly.

Remember this! However you react, you are representing the private placement industry to your Congressman or to a Congressional Committee. Many of these men and women have had no other contact with an agency owner or manager than your communication. First impressions are sometimes everlasting.

We have banded together to form the National Employment Association—to upgrade our industry and to better its position in the general employment field. We believe in our work, its integrity, its honesty, and its contribution to the economic advancement of our Nation. Our success in these endeavors depends largely on the actions of our fellow members.

So, "verbum sap sat", or don't put your foot in your mouth and spoil the work of many years by an unfortunate choice of words or deeds.

BERT HAYES,
President, NEA.

POSTAL RATES LEGISLATION

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OLSEN. Mr. Speaker, in a few days the House Committee on Post Office and Civil Service will report to the House a bill to increase postal rates. The purpose of this bill is to raise additional revenue for the Treasury Department to help meet the rising postal costs and to assure that our citizens continue to receive the best possible postal service.

I am hopeful the legislation reported from the committee will be very similar to the legislation recommended by the Post Office Department. If so, it will be a good bill. The increases will be proportionate and the various classes of mail will be paying approximately the same percentage of their costs that they have traditionally paid. It will be fair and equitable legislation that should be passed by the House.

However, some recent incidents have greatly alarmed me. I speak of the public markup of the bill that has been taking place in the newspapers, on the airwaves, and—to some extent—here on the floor of the House. This is not a good situation. It appears that some of my colleagues are being influenced by what they have read in newspapers or heard on radio and television. I fear some have prejudged the legislation and formed the conclusion that the bill we will report will not be a good one. This is unfair to the Post Office and Civil Service Committee which has been working hard to develop the best possible bill.

The most unfortunate aspects of the public makeup of this bill is that the underlying cause of it is the battle for the advertising dollar. I have worked on rate legislation too long not to recognize the signs. The factions attacking and counterattacking each other are not interested in the plight of poor "Aunt Minnie." Rather, they are intent upon tak-

ing the advertising dollar away from their competitors.

I have no quarrel with these factions competing for the advertising dollar. It is important to this country's economy that this competition exists. However, the Congress should be above this struggle. The Congress has an obligation to the Nation to enact responsible legislation—legislation that is beneficial to the public.

I say let us be fair to everyone. The Department has sent the Congress good rate recommendations—recommendations that I think are completely reasonable. I urge all of you, when you consider this legislation, to forget the attacks and counterattacks of the advertising war and give this bill a fair and impartial hearing.

ALFRED H. KIRCHHOFER RETIRES

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DULSKI. Mr. Speaker, early last year Mr. Alfred H. Kirchhofer retired as editor of the Buffalo Evening News in Buffalo, N.Y. However, he continued to serve as president of WBEN, Inc., the News radio and television stations, until his retirement the first of this month.

An enterprising newspaperman, who recognized early the value of radio and television in the dissemination of news in a fast-moving world, Mr. Kirchhofer not only laid the groundwork for the enviable reputation enjoyed by WBEN AM-FM-TV today, but he has consistently strived to serve the public in the highest tradition of programing and newscasting.

The Buffalo community has been fortunate, indeed, to have had a man of this caliber in the news and broadcasting field. It can also take pride in Mr. Kirchhofer's many achievements that have made our city a better place to live.

With permission, I include an article which appeared in the Buffalo Evening News on September 1, 1967:

PRESIDENT OF NEWS STATIONS, ALFRED H. KIRCHHOFER, RETIRES—FOR 38 YEARS HE GUIDED WBEN AM-FM-TV; MRS. E. H. BUTLER TO HEAD BROADCASTING UNITS

Alfred H. Kirchhofer, president of WBEN Inc., which operates WBEN AM-FM and WBEN-TV, retired today after a 38-year career in electronic communications as the active head of The Buffalo Evening News' radio stations since 1930 and its television outlet since it went on the air in 1948.

Mrs. Edward H. Butler, vice president of WBEN, Inc., who will assume the presidency, lauded Mr. Kirchhofer as a radio and television pioneer who was responsible for many innovations in the radio-television industry.

RETIRED EDITOR OF NEWS

"He kept us always alert to the wider aspects of communications and under his guidance WBEN AM-FM-TV acquired a 'quality station' reputation," Mrs. Butler said.

"Mr. Kirchhofer was one of the first editors to insist that the broadcasting of news by radio and television would enhance rather than injure the prestige of newspapers but that the public was entitled to the best and most responsible news service anyway. Applied to the entertainment and public service areas, these standards have become the cornerstone of our broadcasting policy," she said.

Mr. Kirchhofer retired 18 months ago as editor of The News with which he had been associated since 1915.

ILLUSTRIOUS CAREER

Leslie G. Arries Jr., who was named general manager of The News stations by Mr. Kirchhofer in June, becomes a vice president, as does C. Robert Thompson, former general manager who joined The News broadcasting companies in 1938. James H. Righter, publisher of The News, will continue as secretary-treasurer of WBEN Inc., and Mr. Arries will become a member of the WBEN board of directors.

Mr. Kirchhofer moved up from the vice presidency of WBEN Inc. to the presidency in 1956 following the death of E. H. Butler, who was editor and chief executive officer of The News and of its radio-television stations. Mrs. Butler, who is president of The News, has been vice president of WBEN Inc. since early in 1957.

The retiring president, who enjoyed a long and illustrious career in journalism recognized by many honors, and civic, professional and educational awards, has received numerous honors in the electronics field as well.

He will maintain an office at The News building on Main Street where he plans to research and write on the recent Buffalo and Western New York history he helped shape and knows so well.

TO REMAIN ON BOARD

Mr. Kirchhofer took the helm of WBEN in 1929 when the building permit was approved by the FCC. The station went on the air in 1930. In 1936 he also headed WEBR, then also a radio outlet of The News.

In 1948 WBEN became the first telecasting station in Western New York. Mr. Kirchhofer is a charter member of the Society of Television Pioneers.

Mr. Kirchhofer has many friends on the network level and at Columbia Broadcasting System, with which WBEN is affiliated. In 1944 he served on and was spokesman for the Newspaper Radio Committee, which obtained from the Federal Communications Commission the important ruling that newspapers would not be denied ownership of radio stations merely because they were newspapers.

Mr. Kirchhofer will continus as a member of the Board of Directors of The News.

THE ROLE OF THE FEDERAL GOVERNMENT IN MEETING THE CRITICAL HEALTH PROBLEMS FACING OUR NATION TODAY

Mr. TENZER. 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 pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PEPPER. Mr. Speaker, I am pleased to call to my colleague's attention the very able address of Dr. Philip R. Lee, Assistant Secretary for Health and Scientific Affairs of the Department of Health, Education, and Welfare.

Dr. Lee addressed the American Academy of Physical Medicine and Rehabilitation on August 28 in Miami Beach, Fla. As we all know, the need to further our knowledge in the rehabilitation sciences is one which is so important in this age of curative medicine. As modern science finds more and more cures for crippling diseases, we must also find new and inventive aids to help those unfortunate persons who have been afflicted by such diseases. Rehabilitation is the first and foremost step which must be taken to aid these people.

Mr. Speaker, I, therefore, offer Dr. Lee's address following my remarks for my colleagues' attention, and for all those who read this RECORD:

KEYNOTE ADDRESS[1]

(By Philip R. Lee, M.D., Assistant Secretary for Health and Scientific Affairs, U.S. Department of Health, Education, and Welfare)

My pleasure in being here tonight is twofold: First, I am honored to be among distinguished physicians who are in the forefront of the Nation's efforts to create better lives for millions of disabled people. Second, I am among friends, including some of my very ablest teachers.

In many ways, rehabilitation lies at the heart of some of today's most exciting events. Much of what is developing in medicine today will profoundly affect your practice, and you in turn will have an equally strong impact on the kind and quality of medicine that the American people receive during the remainder of this century. The opportunity is great. The job will not be easy.

I want to talk to you tonight about some of the critical health problems facing the Nation and the actions which have been taken by the President and his Administration to do something about them.

The role of the Federal Government in the field of health has been significantly altered in the past five years. If there is a word that characterizes this role it is partnership.

The Federal role was a relatively minor one until 1935 when the Social Security Act established new Federal-State grant-in-aid programs in health and welfare. The basis for these grant-in-aid programs had been established almost 15 years earlier in the Smith-Fess Act establishing programs for vocational rehabilitation. The National Cancer Act of 1937 established the principles on which our biomedical research efforts were based.

Many of you are familiar with the general evolution of the Federal role. I can summarize these past thirty years by noting that the role of the Federal Government is now important in the following areas:

1. Programs designed to further research in the solution of disease problems and the advancement of biochemical knowledge.
2. Programs to meet manpower and facility requirements for health services.
3. Programs designed to support local, regional and State initiative in public health.
4. Programs designed to remove financial barriers to medical care.
5. Programs designed to improve the quality and availability of health services.
6. Programs concerning consumer and environmental health protection.

However, the Federal role is not limited to these six major areas. In health we find ourselves more and more involved with a variety of other social problems and needs. Programs in housing, education, traffic safety, civil rights, economic opportunity and even oceanography all involve health or are related to and interact with health programs.

Among the important issues facing American medicine and the Federal Government

[1] Annual Assembly of American Academy of Physical Medicine and Rehabilitation, Americana Hotel, Bal Harbour, Florida, August 28, 1967.

now, one of the most important is the task of stabilizing and strengthening the health education enterprise. This process will include not only a changing emphasis in Federal support but a major reevaluation by our medical schools and universities. This process appears to be well underway on a variety of fronts.

In a recent address on the subject, Dr. Charles Odegaard of the University of Washington, noted:

"I am not trying to chastise medical educators and physicians. It is rather that I wish to make a vigorous appeal to a remarkably conscientious profession which has already done so much for mankind. I urge it to undertake that next big step. In essence medical educators, acting in conformity with a narrow definition of the physician's responsibilities, have so far used a very narrow segment of the intellectual resources of a university. Admittedly what they have done has been to the enormous advantage of our health. But I am convinced that there is yet more treasure in the university to be mined for the improvement of man's health."

I share this view. I believe we must find more effective mechanisms for strengthening our medical schools and other schools in the health professions. More and more this will involve their integration into the fabric of the university. This process of institutional development must not be done at the expense of our biomedical research effort, but rather in close association with it. It will not be accomplished overnight. The issues were clearly described in an address to the Federation of American Societies for Experimental Biology by Dr. James Shannon, Director of the National Institutes of Health:

"Moderate tinkering with our support mechanisms will be inadequate to the broad challenge ahead. Rather, what is needed is a radical restructuring of the relationships of the Federal establishment to institutions of higher education. Perhaps some of our most important shibboleths, cliches, and traditional postures must be given a hard, realistic reassessment. Among these are:

"More or less complete dependence upon the project system of support.

"The value of diverse support through multiple agencies.

"The traditional aloofness and disinterest of the scientist in the condition and fate of his institution.

"Perhaps we need to consider the values of broader and more comprehensive forms of Federal support which can encompass the full scope of academic functions and provide for stability, integrity and sound development of these vital national resources. For the moment, I believe we are in an uneasy state of equilibrium not satisfactory to any party. Further, this uneasy state must not last too long."

At the same time, we should be looking at the organization, financing and delivery of health services. The rapidly rising costs of medical care have been cited by economists as evidence of the need to improve the structure of our health services. The present organization of health and medical care services can, at best, be described as haphazard and uncoordinated.

We must find out why it is that millions of Americans lack the most fundamental of medical services, in this wealthiest of nations. The poor—especially those of minority races—have more chronic disease, higher rates of infant mortality, greater losses of mothers in childbirth, and shorter life expectancies than do those in more fortunate economic and social circumstances.

Some of the underlying reasons, of course, are obvious. Low economic levels, ignorance born of inadequate education, racial customs and social pressures are some of the readily apparent factors. But we must not confine ourselves to the obvious; we must seek out and identify other elements which now remain obscure.

More efficient and effective organization of health services is one of the most urgent problems facing American medicine today. This is particularly true for health services for the poor, for emergency medical services, and for services for the chronically ill and aged.

Every study I have ever seen shows that ill health and disability increase as the income level goes down. Poverty produces poor health, and poor health perpetuates poverty. This is a vicious circle which you and I must help break.

As President Johnson pointed out in his Message to Congress on Urban and Rural Poverty, on March 15 of this year:

"The poor man, making two thousand dollars a year or less—in many cases because of previous illness—will lose twice as many working days from illness as the man who makes seven thousand dollars or more."

I know you see this regularly in your practice with disabled patients.

When we talk about the disabled, we are talking about a lot of people. Some estimates have run as high as 16 million. In terms of those people with disabilities requiring the attention of rehabilitation experts, we probably have about 10 million.

The vocational rehabilitation program in our Department estimates that there are about four million Americans of working age who need and would benefit from the medical and other services of the public rehabilitation program.

Thus, however we measure it, disability represents a sizeable part of the Nation's health problems. We must give the same attention to improving our methods of serving the disabled as we do to improvements in acute care.

In the delivery of medical care, the benefits of automation and other technology have only just begun to be widely recognized. Systems studies, operations research, better economic analyses, behavioral and attitude studies as well as other techniques must be applied to the study and solution of many of these problems. This will not be a simple task. Medical care in this country does not lend itself easily to the techniques that have been effectively applied in industry and in other fields.

In his Health and Education Message this year, President Johnson said:

"America's annual spending for health and medical care is more than $43 billion. But despite this investment, our system of providing health services is not operating as efficiently and effectively as it should.

"We must marshall our best minds to:

"Design hospitals, nursing homes and group practice facilities which provide effective care with the most efficient use of funds and manpower.

"Develop new ways of assisting doctors to reach more people with good health services.

"Devise new patterns of health services."

We need to join forces with many others to meet the Nation's goal stated by the President:

"Good health for every citizen to the limits of our country's capacity to provide it."

In practical terms, there are a number of obstacles to overcome if the goal is to be attained:

The inadequacy of knowledge;

The limited availability of an accessibility to health services—which in turn derives from insufficient resources of manpower and facilities; maldistribution in economic, social and geographical terms; the deficient means for assuring effective coordination and utilization;

The costs of services;

The quality of services;

The attitudinal and motivational deterrents bearing upon the reception and use of health services; and

The still empirical state of the understanding of the action and consequences of exoginous chemical and physical forces upon biological systems; the limited technology for the control of such factors and the economic and political aspects of limiting use of the public domain for private purposes (i.e., discharge of industrial effluents into streams, smoke into the air, automotive exhaust along the public streets and highways).

To succeed against these obstacles will require responsiveness and imagination among those of us who are interested in health progress. Bold, new approaches must be tried, innovations adopted, and changes must be made in the organization and delivery of health services.

Several steps have been suggested and some already have been taken to overcome some of the hurdles:

1. Two years ago a new Bureau was established in the Social Security Administration to administer Medicare. A series of cooperative relationships was established between the Social Security Administration, the Welfare Administration, and the Public Health Service to assure that the best professional talents in the Department were applied to the immense problem of planning and implementation. This was merely a prelude to what was to follow: a major reorganization of the Food and Drug Administration and the Public Health Service.

2. A Bureau of Health Manpower was established in the Public Health Service, Department of Health, Education, and Welfare to focus on, and stimulate the development of health manpower resources throughout the Nation.

3. A National Center for Health Services Research and Development will be established and operating before the end of this year. It will serve as the focus of a national effort to improve the organization and delivery of health services. It will stimulate and support experimentation and the development and testing of new models of organization.

4. A National Conference on Medical Care Costs was convened in June. The Conference brought together leaders of the medical community and other concerned groups as well as public representatives to discuss working together to improve the efficiency of medical care delivery and thus keep down costs.

5. As a result of the Conference, Secretary Gardner established an Advisory Committee on Hospital Effectiveness to make a careful assessment of the Nation's hospital sytem—including geographic distribution, design, administrative staffing and operations—and to make recommendations for improvements. The Committee will study ways in which hospitals may be used most efficiently and economically as the core of area health systems that include such facilities as nursing homes and clinics.

6. A National Advisory Commission on Health Facilities will be appointed to study needs for the total system of health facilities—hospitals, extended care facilities, nursing homes, long-term care institutions and clinics. The authorization for the Hill-Burton program, which helped to provide 386,000 hospital and nursing home beds throughout the Nation, expires on July 30, 1969. Because of this, the Administration believes this is an appropriate time to assess fully the whole area of health facilities and perhaps propose new approaches to meet present and future needs.

7. A two-day conference on private health insurance will convene one month from today to explore ways of broadening the coverage of private health insurance.

Another conference will be held in October to discuss ways of increasing physicians' productivity through group medical practice.

Two weeks ago we had a major reorgani-

zation in the Department of Health, Education, and Welfare aimed at capitalizing on the concept and the experience of rehabilitation programs.

To do this, several of the principal service-giving agencies and programs within the Department were reorganized into a new structure. To direct this new organization, the Secretary appointed Miss Mary E. Switzer as Administrator of the Social and Rehabilitation Service. Miss Switzer is well known to all of you for her long and distinguished direction of the Vocational Rehabilitation Administration, which now functions as one of the five agencies under her direction and is now renamed the Rehabilitation Services Administration. The Rehabilitation Services Administration continues to conduct its programs of support for services, research, training, construction, and various other grant programs. In addition, certain new activities have been transferred to the Rehabilitation Services Administration dealing with mental retardation, crippled children, and service programs for certain disabled people on public welfare rolls.

In this marshalling of service components, the accent is on the handicapped, the poor, the aged, and on strengthening family life, particularly for the children. It means that, so far as these Washington agencies are concerned, it should be far easier for them to work together and for you and thousands of others throughout the country to deal more easily with them. This latter point is further strengthened by creating, in each of the nine Regional Offices of the Department, a Commissioner of Social and Rehabilitation Service, who functions as a counterpart of Miss Switzer's organization in Washington in working with States, communities, professional groups and others.

This new organization represents the latest in a series of efforts to arrange our public programs for better delivery of service to the American people generally and to the disadvantaged poor in particular.

The reorganization comes at a time when the Congress is midway in its action on the 1967 amendments to the Social Security Act. The bill passed by the House and now being considered in the Senate, would make some sweeping changes in some of our approaches to welfare problems. In addition, the House deleted a proposal by the President that would have provided health insurance for disabled people covered under the Social Security retirement system. We are urging the Senate to restore this provision, since it represents the kind of protection that more than a million disabled people on the disability retirement roles sorely need.

Several other legislative proposals of the President are nearing the final stage of Congressional action. These include the Comprehensive Health Planning Amendments of 1967; the Mental Retardation amendments and the Air Quality Act.

The Vocational Rehabilitation Amendments of 1967 have passed the House, and the Senate is expected to pass the bill and have it ready for President Johnson's signature by the end of this week.

Throughout the work of our Department, this attention to the concept and the practice of rehabilitation is continuous. It is a concept which Secretary Gardner has expressed this way:

"By rehabilitation I mean giving people the chance—and the challenge—to develop their own resources, inner and outer, to become as independent and responsible as possible. I mean giving people the chance and the challenge to make the most of their talents and their lives and to find personal satisfaction and fulfillment through participation, to live their lives with some measure of dignity."

As we view the changes taking place around us, and plan for still more, we would do well to bear in mind a statement by Alfred Whitehead. He said, "The art of progress is to preserve order amid change and to preserve change amid order."

Today we are saying goodbye to an older era. We are greeting a new one, and a better one. This new encounter is accompanied by difficulties, by problems, and by the demand for energetic and earnest effort. To this, I believe we must all apply ourselves with dedication—and not necessarily in a spirit of martyrdom. I prefer the philosophy of the late Winston Churchill—the cheerful and devoted philosophy which he displayed to a group of temperance ladies when they called on him to protest his inordinate consumption of brandy.

"Why, Mr. Churchill," said one, "if all the liquor you consume in a year were poured into this room, it would fill it to here."

She pointed to a spot midway between the floor and the ceiling.

The Prime Minister gravely regarded the lady, the floor, the ceiling, and the spot she indicated.

"So little done," he murmured, "and so much to do."

TRIBUTE TO LT. COL. JAMES SCOTT OLIVER

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. KYROS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KYROS. Mr. Speaker, I would like to pay tribute to an outstanding member of our Armed Forces from the State of Maine, and by so doing, bring to the attention of my colleagues one of the less dramatic, but most significant, aspects of our military operations in Vietnam.

The citation extended by Gov. Kenneth M. Curtis to Lt. Col. James S. Oliver, honoring Maine men in Vietnam, speaks for itself. It is with pride that I include it in this RECORD:

TRIBUTE TO LT. COL. JAMES SCOTT OLIVER

Hundreds of Maine men are wading through the battlefields of Vietnam today with thousands of comrades from throughout the United States. Each Maine man deserves the deepest respect from all of us. Today I want to salute Maine men in Vietnam through one of their outstanding number just returning, Lt. Col. James Scott Oliver.

Colonel Oliver returned from Vietnam a week ago after a year's tour of duty as the provost marshall of the Army's unique First Air Cavalry Division.

He is a Maine native, born in Lewiston, who has distinguished himself in the service of his country through three wars, World War Two, the Korean war, and Vietnam.

His last duty assignment was to launch a particularly dangerous and effective assault against the almost invisible enemy in that Southeast Asian country, the terrifying Vietcong.

Called *Operation Dragnet*, the effort has routed out scores of those terrorists in hamlets throughout a section of South Viet Nam as large as Cumberland and York counties combined.

Colonel Oliver's plan, conceived less than 6 months ago, is now being used in all the districts of that nation as the United States presses toward the day when a free people can truly be free of Communists sworn to enslave them.

I have asked Colonel Oliver to come to my office to salute him as an outstanding representative of the thousands of Americans we have sent to that country.

His record of service to this country is an envious, and yet, tragically, it is also not uncommon to find men in their early 40's who have had to bear arms for their country three times in three decades.

During World War II, Scott Oliver was a master sergeant in the Army Air Corps and operated an air-sea rescue craft in the enemy-infested waters off the Philippine Islands. His crew was responsible for picking up downed pilots during the battle of Leyte Gulf and the ensuing actions of the Pacific war that finally ended so suddenly after Hiroshima.

In the Korean war he was an officer in the 25th Infantry Division in Korea, and he was wounded twice while serving first as a platoon leader and later as a company commander of a frontline assault force.

For this action he received the *Bronze Star for Valor* and the *Purple Heart* with an oak leaf cluster.

In Vietnam, while serving as provost marshal for the First Air Cavalry Division, Colonel Oliver won the *Air Medal* four times, evidence that he flew over the battle zones of that country more than 500 hours.

He was also awarded the Nation's *Legion of Merit* award and two of the South Vietnamese government's top honors . . . the Cross of Gallantry with Silver Star and the National Police Honor Medal.

Maine has a right to be proud of Colonel Oliver . . . and he has a right to be proud of his record during 21 years in the service.

It is for this reason that today I am presenting him with a token of our State's esteem. . . . this plaque as a small symbol of our great appreciation and our tribute to a soldier who has done more for us than we could ever do for him.

Colonel Oliver, I salute you and ask that you carry this tribute to all Maine servicemen for it serves as a token of our appreciation to all of you.

It must be noted that in spite of the important nature of this mission, many Americans are apparently unfamiliar with any but the broadest of outlines of our military activities in Vietnam. Even the nationally prominent Governor of the State of Michigan, George Romney, could say in a UPI interview published August 20, 1967 in the Portland, Maine, Sunday Telegram that—

The surest way to a successful conclusion to the conflict in South Vietnam is to concentrate on destroying the guerrilla infrastructure down south. To do that, we need the help of the South Vietnamese. After all, the identification of the guerrillas, the ferreting out of the guerrillas, the winning of the loyalty of the people so that they will help identify the guerrillas, the building of the nation, a viable society in South Vietnam, is primarily a job for the South Vietnamese themselves. The key to bringing the North Vietnamese to the negotiating table is to show that we can destroy that guerrilla infrastructure down south.

The following articles from Newsweek magazine and the New York Times suggest that what the Governor advocates had long since been incorporated into U.S. policy.

The July 24, 1967, issue of Newsweek contained the following mention of Lieutenant Colonel Oliver's work:

When large numbers of U.S. troops move into an area, the VC political leaders simply hide; when the Americans leave, they pop to the surface again and resume control of the village. The fact is that uprooting this Viet Cong infrastructure in the

villages has proved one of the most frustrating tasks of the war. In one effort to deal with it, the U.S. First Cavalry Division (Airmobile) in Communist-infested Binh Dinh Province recently launched a combined military and police campaign, code-named Operation Dragnet.

Since June 1, when Operation Dragnet began, 86 hamlets have been raided in this way. Each day at least one new hamlet is chosen. Then around 3 in the morning a company of Air Cavalry moves in either by foot or helicopter to form the cordon. At this point, as in the case of Kim Giao, it is up to the PFF, often accompanied by U.S. MP's, to go into the hamlet with the first flight. "The reasons for the early start," explains Lt. Col. James S. Oliver, the Air Cavalry's provost marshal, "is that the members of the infrastructure in this area make a practice of sleeping in the hamlets and then moving out to daytime hiding places about 4:30 a.m."

So far, the results of Operation Dragnet have been fairly encouraging. One hundred and sixty-eight Viet Cong and North Vietnamese soldiers have been captured; 191 Viet Cong identified as members of the infrastructure have been caught. "We're causing them trouble, there's no doubt about it," says Capt. Maynard Eaves, an MP officer under Colonel Oliver. "We're costing them food, intelligence, manpower and the backing of the people. We hope it will evolve to a point where we can get out and move on and the PFF will be authority in the area."

Prospect: But that day, if it comes at all, will not be in the immediate future. "Some of these hamlets will have to be hit a third fourth and fifth time," says Colonel Oliver. And even then, he admits, unless Saigon can follow through by instituting its governmental control over the villages, Operation Dragnet will merely have created a political void.

Nevertheless, the Air Cavalry, which earlier made no fewer than six massive sweeps through the northern villages of Binh Dinh only to see the Viet Cong infrastructure remain intact, is convinced it is on the right track. "To be honest," says Colonel Oliver, "in the past we ignored the police in favor of a big operation. Now, I think that we have shown that this type of operation—Dragnet—can work. Root out that Communist infrastructure. That is the only answer to this war in the long run."

And the New York Times on June 16, 1967, carried this report on the air cavalry's decimation of the guerrilla infrastructure:

Lieut. Col. James Oliver, the division's provost marshal, credited the police today with having accounted for "more than 50 per cent of the captives the division has taken since May 26."

First Lieut. Bill Pritchard, a platoon leader, said: "These cops are much better than the A.R.V.N. (Army of the Republic of Vietnam) or us. They don't go too fast, they know their work, what to look for.

"We have never had results like this in cordon operations when we've run them on our own," he added.

Colonel Oliver said: "Before, we couldn't speak the language. Our troopers have no special training in police techniques. Face it, we were passing right over the tops of the guerrillas.

"The beauty of this operation," he added, "is that all the checking is done right here in the hamlet—we don't have to pack up everyone and take them to the district screening center anymore."

A PROGRAM FOR THE CITIES

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. REUSS. Mr. Speaker, the official monthly magazine of the AFL–CIO, the American Federationist, recently compiled excerpts from statements by its executive council, AFL–CIO President George Meany, and others on the problems of our cities.

Mr. Speaker, since I believe these analyses and recommendations are well worthy of our study, I insert the summary from the American Federationist in the RECORD at this point:

A PROGRAM FOR THE CITIES

ONE MILLION JOBS—NOW

The course of a free society should not and must not be swayed by criminal acts—mob violence, arson, looting and murder. Neither should it be swayed by revulsion against these acts.

. . . It is heartening to see, in this convocation, so many leaders with influence and power in every segment of American life. It is encouraging to see that they have been awakened to the deficiencies and the injustices that persist in today's affluent society and are publicly committing themselves to their correction.

This concern, this commitment, must now be translated into action. That will be harder.

Obviously the first arena will be the Congress, where we have fought so many lonelier battles. But beyond the Congress are the state and local governments, many of which have far worse records. To cite only one example: Housing is one of the most urgent needs; not just open housing, but adequate housing for low-income families. Congressional authorizations have been shockingly inadequate. Yet even more shocking is the fact that much authorized housing has not been built because of the apathy of local governments and the resistance within some communities.

This is one barrier that surely could not stand against the combined forces represented in this room.

Of course, the key need—more immediate than housing and all the rest—is jobs at good wages for all. We have stressed this basic truth time after time; we have related it to every phase of social progress, from civil rights to education.

And to meet this one overriding need, America must have, as a matter of first priority, one million jobs in socially productive work for the presently unemployed. And America must have these jobs right now.

A sweeping, all-embracing attack on urban problems, including short-range remedies and long-range cures, was overdue long before the first rioter threw the first stone. But such an attack, as we in the AFL–CIO are painfully aware, requires the mobilization of many separate forces into many individual campaigns, large and small. The great, broad goals capture the imagination and inspire the spirit; the smaller engagements, like a clash between army patrols, are meaner, without glamour—but complete indispensable.

In a word, we must all go forth from here, not merely with a program, but with a determination to fight for it . . .—*AFL–CIO President George Meany, addressing a new Urban Coalition of over 800 mayors and labor, business, church and civil rights leaders, Washington, D.C., August 24, 1967.*

FULL EMPLOYMENT

We of the AFL–CIO remain firmly convinced that the American economy has the resources for extending our social advances, while meeting the military requirements of the conflict in Vietnam. The cost of the war should not be absorbed by freezing or cutting expenditures for such essential domestic programs as housing and the rebuilding of our cities, aid to education, the war on poverty, the achievement of clean air and water.

. . . Full employment is the top-priority goal of organized labor. As a result, we are disturbed by the Council of Economic Advisers' apparent acceptance of a 4 percent unemployment rate as achievement of its objective.

. . . Full employment, in the context of American society, is considerably less than a 4 percent unemployment rate—which in the past year has been accompanied by very high levels of joblessness for Negroes, youngsters and unskilled workers.

In his report, President Johnson states:

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

The President's comment indicates that full employment, in terms of American life, would be a jobless rate of about 2½ percent of the labor force—and even that level could be reduced by efforts to reduce seasonal unemployment, for example, and to improve the U.S. Employment Service. The objective would be a continued effort to reduce joblessness to a bare minimum, to provide job opportunities, at decent wages, for all who are able to work and seek employment.

The definition of recent unemployment levels as full employment is also contrary to the findings of the President's Automation Commission. "We are not impressed," the Automation Commission observed, "with a 4 percent unemployment rate, or a 3 percent, or any other unemployment rate, as an ultimate goal of economic policy. We take seriously the commitment of the Employment Act of 1946 to provide 'useful employment opportunities for all those able, willing and seeking to work.' "

. . . It cannot be repeated too often that the jobs that can be generated and the goods and services that can be produced by continued economic growth are too crucial to permit any slamming of the economic brakes when unemployment hovers around 4 percent (and more, if those not counted as unemployed in the official figures are included). Professor Robert Solow has said:

"Those last few jobs matter particularly because they will go in large part to the people who need them most: The Negro, the teen-ager, the unskilled manual worker, the dropout or 55-year-old without a high-school diploma.

"It is precisely when the labor market tightens, when the skilled, the educated, the experienced all have jobs, that it becomes the turn of the disadvantaged. To relax now, to give up on the problem of full employment without inflation, is to condemn thousands of our citizens to more or less permanent unemployment."

. . . The long-run health of American society requires the improvement and expansion of public facilities and services, including housing, as well as achievement of sustained full employment.—*Nathaniel Goldfinger, AFL–CIO Director of Research testifying before the Joint Economic Committee of Congress on the Economic Report of the President, February 17, 1967.*

MORE AND BETTER SCHOOLS

We are proud to have played a major part in shaping the Elementary and Secondary Education Act and in helping to secure its passage. In every part of the nation, this federal support is being used to bring new educational opportunities to the children who most need them, the children from low income families who must have excellence in

education if they are to break out of the poverty cycle which has entrapped their families, in many cases for several generations.

Other features of this measure have placed books in previously empty school libraries, financed innovative educational centers and programs and strengthened the support for long needed educational research.

The AFL–CIO is deeply concerned over the clear possibility that the Elementary and Secondary Education Act will not be adequately funded. Any congressional action appropriating funds below the authorized amounts will severely damage state and local programs now under way or just getting out of the planning stages.

We are convinced that the great breakthrough in the education field accomplished by the 89th Congress received overwhelming support from the American people. The enactment of P.L. 89–10 brought with it the promise of new educational opportunities for our youth.

For the 90th Congress to appropriate less than half of authorized ESEA funds is to make a mockery of this promise and to destroy the hopes of those seeking to solve the complex problems in our present school systems.—*Andrew J. Biemiller, AFL–CIO Legislative Director, testifying before the House Committee on Education and Labor in support of full appropriations for the aid to education program, March 17, 1967.*

MODEL CITIES, DECENT HOUSING

Today some 135 million Americans live in urban areas, twice the number of a generation ago. By the year 1985, the figure will nearly double again when 80 percent of the nation's people live in the cities on 10 percent of the country's land area.

This is why America's domestic issues focus increasingly on these cities. Sheer population pressure has strained available facilities beyond earlier planned needs. The random sprawl of metropolitan areas has produced water shortages, air and water pollution, inadequate mass transit, overcrowded schools, inadequate housing with cancerous slum ghettos, hard-pressed health facilities and acute shortages of recreational areas and cultural facilities.

It is to these immense, complex urban needs that the comprehensive Model Cities Bill of 1966 was directed, with its multiphased series of programs, including special assistance for metropolitan area program planning. Central to all these programs is the fundamental human right to a decent home.

To meet the needs of a growing population and to eliminate existing substandard housing requires construction of 2.5 million residential dwelling units a year. Last year the rate of non-farm housing starts fell to 826,000 in October. Even today's rate of 1.1 million is less than half the need and the outlook for the balance of 1967 indicates the lowest level of housing starts since 1946.

Current legislation authorizing a variety of programs can make a significant contribution to solving these problems, providing Congress funds them fully.

The landmark Model Cities program authorizes expenditures of $412 million in fiscal 1968 to begin this comprehensive, coordinated approach to the problems of the people who live in our central cities.

The Rent Supplements program, designed as an imaginative new approach to rental housing for lower-income families, requires a $40 million appropriation in fiscal 1968 if it is to serve these families properly. In addition, the full amounts authorized for annual contributions under public housing must be granted lest such programs as urban renewal be set back for lack of homes into which those displaced can move.

Where activities are authorized and funded, there must be full utilization by the appropriate agency of its mandate as in the case of 3 percent loans for cooperatives, non-profit and limited dividend organizations. Even the rather inadequate statutory authority has not been fully implemented by the Administration.

Central to all housing efforts is the ready availability of financing. The decline in interest rates from last year's all-time high is a welcome sign, indeed. The Administration's action to make more funds available for mortgage financing has been a significant step. Even greater efforts must be made, however, if interest rates are to be rolled back to the point where there is an adequate flow of money into housing construction.

These are the minimum practical goals for the current year, which would represent a significant start on the total urban problem—*AFL–CIO Executive Council statement on urban affairs, February 23, 1967. Presented to Congress in AFL–CIO testimony on budget for the Department of Housing and Urban Development.*

We are in full accord with the Administration requests for 1968 fiscal year appropriations for both the continuing and the newer programs which the (Housing and Urban Development) Department is operating. Most particularly, however, we wish to address ourselves to the appropriations as passed by the House and what we believe to be the inadequacy of that action. First of all, let us say quickly that we hope this Committee and the Senate will restore the $30 million for metropolitan development incentive grants adopted in the 1966 authorizing legislation. It certainly does not need a great deal of imagination to understand the problems of urban areas are not confined to the core city alone, whether it be traffic, or recreation areas, or library services, or development of coordinated water and sewer systems, or any of a wide range of problems.

. . . The House also made an unfortunate cut in the request for $20 million for funding new urban research and technology programs to $5 million. We believe that this kind of research effort is every bit as crucial to the effort to cure the ills of cities and towns as is the research effort in the field of medicine essential to curing the ills of the human body.

But let us address ourselves to the problems which we consider most serious in this appropriations bill. These are severe cuts in the funding for the Model Cities program and the Rent Supplements program. Fortunately, there seems to be no controversy about the $12 million item for planning grants for communities to develop effective model city programs. The issue is really one of adequate operating funds for the programs themselves. When the enabling legislation passed the Congress in 1966, a total of $400 million was authorized for the first year's operation of these experimental pilot projects. Most thoughtful persons realized that this was at best a frugal expenditure to meet the needs of an estimated 60 or 70 city programs. For the House to have cut the $400 million request for program money to a mere $150 million is simply a failure to recognize the realistic dimension of the need.

The growing crisis of America's cities is one which can no longer be neglected. It has become a national problem of the first rank. It will become ever more pressing as more and more of our people move into those cities. It is for this reason that we urgently request this Committee to restore the full first year authorization for the Model Cities program in order to assure that federal, state and city governments will meet fully their responsibilities to citizens who live in America's urban areas.

To sum up, Mr. Chairman, it is the urgent request of the AFL–CIO that this Committee meet its duty to the nation by providing the essential support necessary to correct the inadequacy in funding key programs of the Department of Housing and Urban Development caused by the cuts in the House-passed Appropriation Bill, H.R. 9960.—*Andrew J. Biemiller, AFL–CIO Legislative Director, testifying before a Senate Appropriations Subcommittee on the budget for the Department of Housing and Urban Development, July 13, 1967.*

. . . AND FAIR HOUSING

Let me emphasize our profound conviction that the bill before you is extremely important. It is not just a piece of house-cleaning, aimed at picking up a few loose ends left over from the Civil Rights Act of 1964. On the contrary, its ramifications extend into many areas of civil rights already dealt with by that and other measures.

It is not an exaggeration to say that open housing is absolutely essential to the realistic achievement of such accepted goals as desgregated schools and equal opportunity. Indeed, until open housing becomes an operating fact, much of the statutory civil rights progress of recent years—great as it has been—will be no more than inoperative theory.

Schools are the most obvious example. The typical public grammar school is a neighborhood operation. The composition of the student body, therefore, is determined by that of the residents. The result can, in effect, be de facto segregation.

. . . Local school officials, under pressure from the federal courts, have contrived a variety of devices to overcome de facto segregation. These devices may well be necessary as stopgaps to meet the immediate need; but in the long run, the soundest way to attack the segregated neighborhood school is to attack the segregated neighborhood.

This has long been an objective of the labor movement. The 21 fair housing laws that have been passed by state legislatures, and the 43 enacted by cities and counties, were warmly supported and often initiated by organized labor. In the words of the Sixth Constitutional Convention of the AFL–CIO, in December 1965:

"A key feature of labor's housing program is its drive for equal housing opportunity for all Americans. There is no place in America for racial ghettos. Equal access, without regard to race, creed, color or national origin, to every residential neighborhood in every American community should be assured for every family in America."

Moreover, we have fitted our actions to our words. More than 150 housing projects have been sponsored by trade unions and others are on the way. One of the earliest, built by the Amalgamated Clothing Workers in New York City, is now 40 years old. All these projects, large and small, are available to tenants or buyers without regard to race, creed, color or national origin.

The experience of the labor movement amply proves that integrated housing works; that people of different races can live in harmony as neighbors. It should also help put to rest the only other argument against open housing that deserves any consideration at all—the notion that neighborhood standards decline when Negro families move in. This is an ancient superstition, perpetuated by far too many unscrupulous real estate agents.

. . . Everything that I have said about real estate interests applies, Mr. Chairman, with equal vigor to banks, mortgage loan agencies and other private lending institutions who engage in discriminatory practices. There must be some way in which this practice can be halted by the federal government. . . .

. . . To have meaning . . . open housing must go hand in hand with enough housing and housing available at price levels workers can afford.

Because of long neglect and inadequate appropriations, the housing legislation already on the books has never fulfilled its stated purposes. It must now be reawakened.

The facts are appalling. Low-cost public housing was launched by the Housing Act of 1937. In 1949, the Taft-Ellender-Wagner bill authorized the construction of 135,000 hous-

ing units a year. But by 1966, all units built over 30 years could house only 605,000 families. There are 11 million urban families whose incomes are below the top limits for public housing tenants.

. . . A massive effort, both public and private, is essential.

Let me make an analogy. Over the years we have said, and we still say, that when unemployment is a problem, the federal government must be the employer of last resort.

We say with equal conviction that when other alternatives have failed, the federal government must be the landlord of last resort.

One way or another, there must be adequate housing for all—open, yes, but adequate, too.—*AFL–CIO President George Meany, testifying before the Senate Subcommittee on Housing and Urban Affairs in support of the Fair Housing Act of 1967, August 23, 1967.*

PROTECTION FOR THE CONSUMER

High on the list of items which demand immediate and extensive attention from the 90th Congress are the problems of the American consumer.

Specifically we will seek:

Action to remedy the exploitation of consumers by those who provide consumer credit.

Consumers are indebted for loans and installment sales purchases in an amount totaling $95 billion. They are paying finance and interest charges at the rate of $13 billion a year on this debt.

A first step toward consumer self-protection in this area is the enactment of the long-standing "truth-in-lending" bill to require all credit vendors to tell the borrower what the dollar cost of the finance charges will be on his credit and to state these charges in terms of a true annual interest rate.

A general investigation by the Congress of the insurance industry in all its aspects.

Action on the over-pricing of key consumer products. . . .

Legislation to provide consumers with unbiased product information.—*AFL–CIO Executive Council statement on consumer legislation, February 24, 1967.*

A WIDER WAR ON POVERTY

The inclusion of more than 9 million additional workers under the (wage-hour) act's coverage, and the increase in the wage floor, constitute by for the greatest single victory up to now in the war against poverty in America.

. . . All forms of poverty are evil. But the least excusable of all its forms is poverty imposed by wages at a less-than-subsistence level upon workers who are fully and usefully employed.

The amendments which are about to take effect will go a long way toward extirpating that abuse. Nearly 5 million of the nation's lowest paid workers will have their wages raised. And, as you have pointed out, the new minimum wage bill will, for the first time, inch above the poverty level.

. . . Last year, some 430,000 workers were underpaid a total of $90 million by employers who flouted the Fair Labor Standards Act—and these figures cover only those who were discovered. The new increases in the minimum wage will further tempt chiselers and the new extension of coverage will enormously enlarge the inspection task. Your budget message to the Congress has taken cognizance of this need and provides for more enforcement apparatus.

. . . For our part, we are launching a campaign through our state and city central bodies to offer assistance to all workers—including unorganized workers—in processing complaints of wage-hour violations.—*AFL–CIO President George Meany in a letter to President Johnson as the new federal wage-hour improvements went into effect, February 1, 1967.*

The legislation that created OEO (Office of Economic Opportunity) directed that a whole series of new programs be created without delay. This included the development of Job Corps Centers providing education and training for poor young men and women between the ages of 16 and 22; local community action agencies to meet the local needs of the poor; a massive program of youth employment and work-study; programs for migrants in the fields of education, housing and job training; loans to small business and small farms; a domestic equivalent of the Peace Corps; a work-experience program to get welfare families off relief; and a method of coordinating the poverty-related activities of all federal agencies.

In the two and a half years since Congress issued this directive to OEO, it not only complied effectively, but it also managed to initiate a broad range of additional programs. It developed and put into operation such pioneering programs as Head Start, legal services for the poor, neighborhood health centers, Upward Bound, Foster Grandparents and Medicare Alert.

I don't think it is necessary to enumerate the achievements of OEO. You are all aware of them. We feel that it is an impressive record. We, therefore, urge this Committee to continue the OEO as the spearhead, the central and unifying force in the war against poverty.

The Community Action Program is an indispensable element of the war on poverty. It has brought the war to the local community, it has given all citizens, including the poor, an opportunity to participate, it has served as the focal point for community action, it has served to identify the problems of the poor, it has served to stimulate the community conscience about the poverty in its midst. For all these reasons, we hope that the Community Action Program will continue within OEO. We hope that it will not be spun off to an existing agency where it will lose its vibrant and crucial role in the war on poverty.

. . . The AFL–CIO supports the "maximum feasible participation" of the poor in Community Action agencies. The war on poverty was never intended to be a dole for the poor, but rather it was conceived as an opportunity for the poor to become involved in anti-poverty programs to assure the fact that these programs respond to their real needs. We are encouraged to note that of the almost 92,000 citizens serving on Community Action agency boards, commitees and advisory councils, over 42,000, or about 45 percent, come from among those being helped. For this the OEO deserves to be commended.

. . . We feel that the Job Corps should be retained as an integral part of OEO and that it merits the continued support of Congress. We urge that it be expanded to offer even greater numbers of these severely disadvantaged young people an opportunity to make a place for themselves in the economic and social life of our country.

To win the war on poverty, much more needs to be done. If more is to be done, more money is essential. The war on poverty should be expanded. The proven programs should be extended. New programs should be developed to meet unmet needs. The Administration's request for fiscal 1968 for $2.06 billion represents a small step forward. But it is not enough. In the face of 32 million persons living below the poverty level, this amount is woefully inadequate. More money is needed to expand such proven programs as Job Corps and Neighborhood Youth Corps, more money is needed for the Community Action Program, for VISTA, for migrant programs. The great need is to press the war on poverty with greater urgency on all fronts and with increased funds if we are to move the poor from their intolerable condition.

. . . For the millions who are still trapped in the mire of poverty, this bright promise must not be allowed to be extinguished. These citizens who have found new hope must be encouraged to continue their efforts to build a better life for themselves.

We have all been distressed by the sorry rollcall of American cities torn by the riots of the past few weeks. We certainly do not condone these riots. Stemming, as they do, from the conditions which exist in our urban ghettos, we feel there is added urgency for more adequate support for the war on poverty. Our urban ghettos require a whole arsenal of programs to help people overcome the handicaps of poverty. The present level of OEO financing is certainly not adequate to meet the needs that exist in our centers of urban poverty.

We, therefore, urge that the level of funding for OEO be raised substantially to enable it to reach greater numbers of the poor. —*Andrew J. Biemiller, AFL–CIO Legislative Director, testifying before the House Committee on Education and Labor on amendments to the Economic Opportunity Act of 1964, July 26, 1967.*

RATS IN WASHINGTON, D.C.

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FRIEDEL. Mr. Speaker, on July 20, the House of Representatives defeated the rule to even consider the President's proposal to spend $40 million to eliminate from our slums an estimated 90 million rats.

Editorials from newspapers all across the country and letters from our local constituency called upon Congress to reverse its vote. Some of these editorials and letters even invited Members of Congress to tour our American cities so they might have a firsthand look at the problem.

I suggest that such a long trip is not necessary—a morning's tour around the Capital City would provide sufficient evidence of the need for this program.

Recently, the Washington Post ran a series of three articles describing the problems caused by rats in the District of Columbia. These articles pointed out that Washington's rats, an estimated 600,000 to 800,000, do an estimated $15 to $20 million property damage each year. Yet District government expenditures for rat poison amounted to only $315 last year.

In discussing the human damage, both physical and mental, by rats the article quoted an 11-year-old whose younger brother had been bitten while asleep:

> We got a lot of rats here. I hear 'em behind the washin' machine. Sometimes they come out of the wall and I take a broom and smash 'em. I ain't afraid of rats.

On the positive side, the National Capital Housing Authority initiated a vermin control project in the Barry Farm area in Anacostia where they spent almost $83,000. In one concrete retaining wall in that project area, NCHA officials estimate that they killed 2,000 rats.

Mr. Speaker, the District's problem is only an example of the Nation's problem with rats. It is not necessary to go to Baltimore, to Detroit, to New York

City, to Chicago, nor any other city to see the dimensions of the problem. Just take one morning and tour the District. The case for enacting the Rat Extermination Act will then be compelling. I believe many of my colleagues have already had a change of heart and are eager and willing to support such legislation when it passes the Senate. I urge all Members to do so.

So that my colleagues might read this informative series of articles from the Washington Post, I include them at this point in the CONGRESSIONAL RECORD:

[From the Washington Post, Aug. 13, 1967]

RATS—DISTRICT LACKS PLAN TO FIGHT 800,000 HERE

(NOTE.—This series was reported by Staff Writers Hollie West, Ronald Smothers, Richard Severo and Jim Hoagland and written by Severo.)

You ask the people of Washington about rats and they are ashamed and frightened to talk to you.

They are ashamed because they have the rats, frightened because they don't want their name in the paper. The landlord might see it and evict them.

Then you talk to District officialdom, the people who are supposed to be dealing with the rat problem. And they don't relish talking to you, either.

They are a dispirited group, lacking in staff and cash. Some of them tell you privately they don't believe the District really cares about the rat problem. Some of them tell you the people don't care. All of them are tired and defensive and they are adept only in telling reporters that another department has the primary responsibility for the rat problem, not *their* department.

And so Washington, the pristine white federal city adorned with Greek temples and filled with politicians who say they are representing the common man, the seat of government of the most powerful nation on earth, tolerates squalor and vermin and rats—rats nesting in the crumbling concrete foundations of public and private housing, rats in the cellars of fashionable downtown restaurants, rats on the Mall after the picnickers, in the Kalorama Triangle, on the Gold Coast, in Anacostia, in Cardozo.

Rats nobody cared to kill, rats common enough in some neighborhods that they are almost accepted as playmates by the children who see them every day.

Rats. Now they threaten to join the sinking of the Maine, Pearl Harbor and Vietnam as a Grade-A political issue.

It was only last Monday that a group of 75 protestors invaded the House of Representatives chanting "rats cause riots." They were there because the House on July 20 defeated an Administration bill that would have spent $40 million in two years in an effort to eliminate an estimated 90 million rats from American slums. It was led by Jesse Gray, 43, a veteran of rent strikes in New York. He says he'll be back this Monday to stage an antirat demonstration in Washington. He's to be joined by Julius Hobson, a local civil rights advocate. Where it will go after that is anybody's guess.

How many rats are there in Washington?

Nobody knows for sure. Some authorities say 600,000. Some say 800,000—one for every man, woman and child in the District of Columbia.

Eight hundred thousand rats. Eight hundred thousand chances to spread rat-bite fever, which can be fatal if not treated.

Eight hundred thousand reminders of the typhus and bubonic plague they once caused and could cause again, symbolizing much more than a furry, dirty rodent. Rather, they are a symbol of the worst that urban living produces—the admission that "I've got rats" is a social stigma nobody will admit to.

The presence of rats in Washington is overwhelmingly repugnant. But Washington's efforts to rid itself of rats is something less than overwhelming.

For example, in order to benefit from the District's free rat-poison program, people not only have to be poor, they have to be indigent. One might assume that the Federal City might want to provide the poison free to any public-spirited citizen—even a millionaire—if he wanted to kill rats. But not so.

But let's say that you are indigent and you do "qualify" for the free poison. Where is it available? Why, logically enough, in clean, non-indigent Georgetown, at a Health Department clinic at 3246 P Street, nw.

In an odd departure from the logic that puts free rat poison in Georgetown, the District also offers the stuff in Southwest, at Delaware Avenue and I Street. It isn't far from some low-income housing.

The establishment of two free rat-poison outlets and the maintenance of a four-man rat control team (a man for every 200,000 rats) has somehow failed to motivate the people of the District to rise up in their wrath and go on a Great Crusade against rats.

The District officials who say people don't care about rats have a right to be indignant about this. After all, the District spent $315 on free rat poison last year.

The Washington Post reporters who got out on the streets of Washington to find out about rats received the distinct impression that there isn't about to be a spontaneous outpouring of public anger over the problem.

The people who have the worst problem—the people who live in old rundown litter-filled housing—are least objective about it. They don't even want to admit there is a rat problem. They don't want to admit to an ancient social stigma that puts them at the bottom of the barrel.

If Post reporters believed only what they heard on the streets of Washington, they would have concluded that there is no rat problem.

A woman in Southeast refused to let a reporter into her building that was—to put it diplomatically—rather undistinguished.

"We don't have any rats in here," she told him. "There's a gopher or two that runs through the back yard occasionally, but that's all."

This woman not only believes that gophers stalk the streets of Washington, she thinks that rats can be brought under control by dogs. She thinks that if you have a dog, there'll be no rats.

"I have a dog," she said confidently, "and if any rats come this way he'll see them."

He may see them but it is doubtful that the dog will do combat with the rats.

More to the point, the dog even may attract the rats. Dogs after all are frequently the culprits when the garbage can is overturned. They also scatter bones around their domain. It is a picnic for the rats.

Children also topple garbage cans and have a tendency to throw food around. This doesn't mean that either dogs or children should be made illegal. It simply means adults have to watch out for them.

William Torrance, a District housing inspector who frequently gives illustrated lectures on the need to keep even hovels clean, has a picture of a rat and a dog in the same yard. The two are not fighting.

"I like dogs," Torrence tells his audiences. "Don't get me wrong. Just remember to clean up after them."

A reporter had this to say after touring the city to determine the extent of the rat problem:

"Time and time again people would tell me they had no rats at all, and all I had to do was look around their houses and see the filth they had, which would have given any rat a bold invitation."

"Everybody's got rats," said a woman who lives in such a house in the 1700 block of T Street, nw. But she quickly added: "I have no rats in my house."

However, she did admit to mice. "I have so many," she said, "I don't know what to do."

This was a pattern reporters from this newspaper encountered frequently. People would admit to having mice. Even Dagwood Bumstead has mice. Mice have received a better press than rats. They are almost middle-class.

At any rate, the people with the "mouse" problem are constantly being singled out for sloppy housekeeping by landlords who are often inexplicably more righteous about the value of cleanliness than they are about the value of repair. In short, they say it is the sloppy tenant who creates the rat problem, not the landlord who somehow never gets around to filling in the holes in the foundation of his house.

The tenants—if they say anything at all—point out that if landlords kept repairs up, they might be more predisposed to keep up their end of it.

It would therefore follow that somebody somewhere—either in the District, in a do-good agency or in one of the ever-so-many efforts made by the War on Poverty—might have come forth with a program to tell landlords and tenants the facts of life.

But no such program exists.

Washington, instead, seems to be attacking the local rat problem with inactivity, ineptitude and inertia. Washington is supposed to be a model city but not all other American cities are following Washington's example in dealing with rats.

Detroit—a city that admittedly has problems of tragic proportions—must be credited with an A for effort in trying to rid itself of rats.

Compared with Washington, Detroit is a veritable pace-setter.

In its Bureau of Sanitation, there is a Rodent Control Division that includes nine inspectors, one supervisor and seven trucks out in the field.

Compare this with Washington's four-man pest control section (unlike Detroit's, it also deals with mosquitos, wasps, fleas, squirrels and almost every other kind of sub-human pest) that has two trucks and only limited equipment for field use.

Harry Boyle of Detroit's Rodent Control Division claims his people will cover 225,000 buildings this year, setting rat bait in 30,000 areas of infestation.

It is hard to say what the Washington unit will cover because it does not have either the staff or money to cover the city systematically. Rather, it responds to complaints. And by the time complaints are received, the rat problem in a given neighborhood is usually well out of hand.

Last year, Detroit used more than 50,000 pounds of assorted rat poison. Washington used 4000.

Detroit is not as pretty as Washington. It is not filled with Greek temples. It is not the capital of the United States. It is a dirty city, a busy city, and it has been the place for some of this country's worst civil strife.

But it is trying to solve its rat problem.

[From the Washington Post, Aug. 14, 1967]

RATS—II: CITY WAGES FEEBLE WAR ON RODENTS

"Behold the Lord High Executioner
A personage of noble rank and title—
A dignified and potent officer,
Whose functions are particularly vital!"

—From "The Mikado" by Gilbert and Sullivan.

Clarence W. Travis is 59, gentle, has a master's degree in biology from Howard University, and is the forgotten man in the Health Department.

He is the director of the Health Department's Vector Control Division. He is the District's Lord High Executioner of rats.

Actually, Travis is on the verge of becoming the ex-forgotten man in the Health Department. Rats are becoming a political issue in Washington, and if the furor waxes big enough, somebody will find the money for a rat eradication program and Travis will be rediscovered.

Mosquitoes—not rats—brought Travis into the Health Department 26 years ago.

But 13 years ago, the Department decided it wanted to do something about rats and Travis moved in that direction.

He has only four men working for him now, but when he began his small-scale assault on rats, eight men worked in rodent control.

But in 1954, the Health Department and the Housing Division split, and it was decided that Travis should have only two employes.

Two men were all he had until about a year and a half ago, when the District gave him two more. Travis says he got the new men after "years of pleading."

Are four men enough?

MORE MEN NEEDED

Travis says that if every housewife in Washington ran her kitchen with operating room cleanliness, and everybody had spanking new metal garbage cans with tops that fit, he would still need about 20 men to go around to contain the rat population.

It should be noted that Travis and his men deal not only with rats, but with other vermin, too. In fact, they spend about 20 per cent of their time trying to control pests other than rats.

Travis loves to talk about rats, and the poisons developed to kill them. He can sit back in his office and recall when poisons were developed and modified. He does it with amazing precision.

It becomes clear that, if the District isn't using much rat poison (last year it spent a total of $3,000 on poison), it isn't because Travis doesn't know his business.

Indeed, talking to Travis causes one to wonder why several dozen exterminators are not on his staff right now. Among the points he makes:

Washington's rats—an estimated 600,000 to 800,000 of them—do $15 million to $20 million a year in property damage.

Contrary to what some believe, rats are not terribly shy and will attack humans "without provocation . . . just for the hell of it."

Washington's official 1966 rat-bite count as reported by hospitals—75—is misleading, representing only a quarter of the total rat bites in the city. Travis is sure many people are too ashamed to report rat bites in their families.

"You won't find a dozen restaurants in the city," Travis says, "that have enough garbage cans. Especially during holidays, you'll find their garbage areas overflowing." Travis claims that enforcement of health regulations as they apply to Washington's restaurants is almost non-existent.

"Virtually no area in the city is rat-free." Reporters were unable to find anybody in Georgetown who would admit to a rat problem. Travis insists the problem is there, although not with the intensity that exists in poorer neighborhoods.

As you listen to Clarence Travis, you realize he is knowledgeable, articulate, alarmed that so many rats live in Washington and utterly fatalistic in his conviction that Washington has turned its back on the problem and will never solve it.

ALLEY SEMINAR EXPERIENCE

His feelings about the intent of District officials are clearly implied by the way he tells you about his staff and budget problems.

His feelings about the people of Washington are more explicit.

He tells you about the time three years ago when he tried to set up an alley seminar at 14th and V Streets nw., so that he could advise people how to deal with their rat problems. He was rewarded for his effort by a shower of bricks and bottles, thrown by hoodlums. One of his men was injured, floodlights were broken and a brick smashed the windshield of Travis' car.

That was the last time Clarence Travis ever tried to give an alley seminar in Washington. One suspects it seriously shook his commitment toward reaching the people of the city and making them aware of the magnitude of the problem.

"I still give programs," he said, "but now I insist that there be four walls around me."

If you ask him about the people of Washington, his eyes flash and he talks of their laziness, their sloppiness.

He is sure that twice-a-week garbage collection would be enough for all neighborhoods in the District if only housewives were tidy.

It amazes him that people in slum neighborhoods tell him that they don't have enough money for food "and then they throw away six gallons of food a week."

Asked if increased garbage collection would help with the rat problem, Travis said he feared it might make matters worse. "We would be indulging people in their laziness," he said. He said he is well aware that some of Washington's homes contain 30 people instead of the 7 or 10 they were designed for (and thus producing much more garbage) but that doesn't change his views on garbage collection.

EDUCATION PROGRAM REQUIRED

It becomes clear from talking with Travis that rat eradication is pointless unless it is accompanied by education. But the understaffed Vector Control program can't deal with education any better than it can with the rats themselves.

Travis arranges meetings, but his assessment of their effectiveness sounds strangely like the assessments given by many others who work in poverty areas. "The people who need the information most won't come to the meetings," he says.

Few—even the best-intentioned—have ever succeeded in really reaching the people who need help the most.

It would not be proper to suggest that Vector Control should take full or even primary responsibility for Washington's rat population.

For Vector Control is but a tiny part of one section of a District establishment that is hopelessly fragmented on the problem of rat control.

The Health Department, the corporation counsel's office and the Housing Division of the Department of Licenses and Inspections are all involved. Each says the other has primary responsibility for rat control.

HOUSING DIVISION INSPECTIONS

The Housing Division's inspectors systematically check to see if there are any rodent violations, caused either by landlords or tenants, in the city.

Reports of violations flood back to Housing Division headquarters, but the Division has long taken the view that so long as the landlord gives any indication that he is going to deal with the violations, he will be given extensions to meet the requirements.

This sounds reasonable enough. But the fact is that some of the owners of low-income property abuse the policy, remedying as few of the violations as possible to keep stringing the Housing Division along.

The landlords complain they can't possibly keep up with the damage done by some careless or ignorant tenants.

Enter the corporation counsel's office. Robert H. Campbell, an assistant corporation counsel who is the city's chief prosecutor at the Court of General Sessions, acknowledges that housing violations persist too long, but he says his office sometimes gets cases that have been sitting in the Housing Division files for a year or more.

But the corporation counsel's office is not in a position to be terribly pious.

The corporation counsel's office has also been granting multiple continuances to landlords. Then, a couple of weeks ago, Campbell said that his office would cease its easy treatment. On Aug. 3, Campbell met with R. Donald Kinney, deputy director of the Licenses and Inspections Department, and Kinney assured Campbell that the Department would speed the forwarding of housing cases to the corporation counsel. Housing cases, of course, have a lot to do with rat cases.

DUNCAN DEFENDS RECORD

Corporation Counsel Charles T. Duncan thinks his office has done a good job in prosecuting rat cases. "We have moved forward," Duncan said. Although Duncan is sure he has moved forward, neither he nor Campbell can find any figures on how many rat cases have been prosecuted.

Duncan also makes it clear that he thinks most of the responsibility lies outside his office.

"I would think," he says, "that a vigorous effort by the officials responsible for rat extermination and control and the citizens in the neighborhood working with them is what we need."

And there we have the District's official position on the rat problem.

Vector Control says sloppy people must be educated, sloppy people say the landlords are to blame, landlords say it's the tenants, housing inspectors blame the judges and the Corporation Counsel thinks that Vector Control has to work harder.

They accuse, and the rats multiply.

[From the Washington Post, Aug. 15, 1967]

RATS—III: THEY ABOUND IN RESTAURANTS, HOMES DESPITE CONTROL EFFORTS

A few weeks ago, Harold Isen, a Washington artist, was in a downtown restaurant with his wife, Anita, and Charles Duff, another artist who had moved here only recently.

Isen had just ordered one of his favorite dishes—beef with broccoli and cheese—and Anita had selected the boneless duck.

"You'll like this place, Charlie," Isen said. "The food is always so fresh."

And then Isen stopped talking.

He stopped talking because he saw a rat in the restaurant.

It was a big, fat, brown rat, maybe a foot long, not including the tail, and it was walking across the restaurant floor, a couple of feet from where Isen was sitting.

"It was so big," Isen said, "that at first I thought it was a cat or a dog."

Isen watched the rat. It went under a booth, climbed up on a seat and then up to an empty table. It was a table that undoubtedly would be used by customers later that night.

Isen was transfixed, speechless, as he watched the rat move across the clean table. The rat stopped at the wall. There was a hole in the wall covered by a piece of paper.

The rat was just about to gnaw through the paper when suddenly there was a scream.

The place was in an uproar and the rat got frightened. It climbed down off the table and disappeared under a chair.

Isen, his wife, and Duff made a hurried exit. "Too bad, Charlie," Isen said as they reached the street, "they used to have good food in that place."

The next day, Isen called the Health Department. Four days later, the Department called him back and told him that no evidence of rats had been found.

A Department inspector told Isen he alone had more than 500 bars, restaurants, carryouts and lunch counters to check. This meant he could not visit each one more than once a year. A lot of rats could walk across a table in a year.

The rat Isen saw bit nobody—but the

threat it presented to everyone in the restaurant was just as real.

Clarence W. Travis, director of the Health Department's Vector Control Division, says that rat droppings can be a factor in food poisoning.

When food poisoning occurs, it is impossible to say for sure that it is caused by rat droppings. But Travis is sure that it happens. The leptospirillum variety of food poisoning, sometimes called Weil's disease, comes from the urine of rats.

If you ask at hospitals, you find few verifiable cases of actual rat bite. At Freedmen's Hospital, for example, records are kept on rat-bite fever. But Freedmen's officials say they have no separate recording system for just rat bites.

For the record, the rat we have is the Norway rat (rattus Norvegicus), which weighs in at around ¾ of a pound, is 9 to 11 inches long (plus tail) and lives about 3 years. It usually lives 20 or 30 feet from its food supply.

The Norway rat is extremely adaptable. It will gnaw on almost anything, and can live anywhere. Often it will burrow into the ground near a house for warmth. If the burrow gets too cold, it might chisel right into a weak spot in the foundation of a house to find more warmth. When exterminators pump cyanide into burrows, they often see dozens of rats scurry from a single burrow.

The average rat litter is 8 to 12, but can be as high as 22. A female rat can have 150 to 200 offspring a year. Under ideal conditions, a pair of rats could start a process that would produce 350 million little rats in three years, according to Travis. Fortunately, baby rats have a high mortality rate.

If you ask people in this city about the rat problem, and you are able to overcome their shame and their fear the landlord will retaliate, the scope of it becomes real—and large.

For instance:

Margaret Royal of 1821 Stanton ter. se., says her 4-year-old son, Darrell, was bitten on the heel by a rat while asleep on July 1. Darrell's heel had a welt on it. "We got a lot of rats here," said Darrell's 11-year-old brother, Anthony. "I hear 'em behind the washin' machine. Sometimes they come out of the wall and I take a broom and smash 'em. I ain't afraid of rats."

Sandra Wood of 1315 Park rd. nw., says her 20-month-old daughter Cynthia, was bitten as she slept less than a month ago. "Cynthia woke up screaming," Mrs. Wood said. "She'll probably never forget it." Mrs. Wood treated the bites with iodine and peroxide. Mrs. Wood says she thought this would be enough.

Ernestine Jones, who also lives at 1315 Park rd., said her 3-month-old daughter, Theresa, was bitten by a rat less than two weeks ago. She waited 24 hours before taking the child to a hospital. Her reason: "I didn't have time."

Mrs. Jones' husband, Thomas, said they were moving out. He set traps for the rats but had little success.

Eva Armwood of 215 L st. nw., said that her daughter, Maurine, of the same address had a terrible rat problem. The rats, she said, had got into her refrigerator. "Rats all over the place," said Mrs. Armwood.

Dr. Kurt Fredericksson, a biochemist who lives at 312 V street ne., says he can come home at night, relax with a drink, and watch the rats play in his back yard. He has kept his yard clean, but not all of his neighbors have done the same.

Bernard Gray of 319 Atlantic st. se., called The Washington Post yesterday and said to be sure and emphasize the responsibility the people have for rats.

"A year ago," Gray said, "I tried to get my neighbors to join me in a rat eradication program. One woman told me the District ought to do it. I got some poison and two of my neighbors wouldn't even accept it."

Christine Morgan of 1870 Alabama ave. se., president of the Stanton-Douglas Tenants Improvement Committee, a group of public housing residents, said: "We have a terrible problem with rats." She showed a reporter dozens of rat holes and said, "If you come back after dark, this place will be filled with rats." The reporter did and found the public housing complex alive with dozens of rats.

Jack Smith of 1740 T st. nw., said he asked his landlord, the C. H. Parker Co., for help and was told "everybody has rats."

Wilson Linden of 211 15th st. se., says there are rats in his building. "Some of the rats in this neighborhood are as big as dogs . . . if the city doesn't act, the rats will take over the city."

The situation exists while Washington's Vector Control unit tries to handle the problem with four men who spend a fifth of their time trying to keep rats and roaches out of buildings owned by the District.

Not every branch of District government has been completely inactive in trying to cope with the rat problem. The National Capital Housing Authority has the rats under control at its Barry Farm project in Anacostia.

The effort started in the wake of protests by Barry Farm residents.

The NCHA managed to find another $50,000 a year to spend on vermin control (bringing the annual expenditure to $83,000) and the work began.

As the NCHA started its work, tenant groups at Barry Farm pressed their efforts to persuade some of their sloppy neighbors to shape up.

Emmett Gray, the NCHA's director of engineering and maintenance, hired two extra men for the Barry Farm project (he has since added four more), the Vector Control Division of the District Health Department cooperated in training them and the workmen zeroed in on a concrete retaining wall filled with rats.

The NCHA filled in the holes and treated the wall—and the hill behind it—with cyanide poison. The NCHA figures it killed 2000 rats in the wall alone.

Next, the crew turned its attention to deteriorating concrete porches and foundations. Poison was used repeatedly and holes filled. As new burrows were found, they were poisoned and filled. Over a period of months the problem was brought under control.

Occasionally, someone will see a rat or rat burrow at Barry Farm. When they do, the crew returns immediately with its poison.

OTHER PUBLIC HOUSING SITES

NCHA's Emmett Gray claims he has the rat problem under control in almost all public housing projects.

But not all tenants agree.

Even a casual after-dark visitor can see the rats at Stanton Terrace and the Douglas Dwellings.

At Kenilworth Courts and the Parkside Dwellings, two projects near the Kenilworth dump in far Northeast, even Gray has to admit the problem is virtually uncontrollable.

Gray says that Kenilworth is filled with rats. A few sloppy tenants and a few sloppy garbage collectors are all that is needed to attract the rats to nearby public housing. The problem is so great that an independent rodent-control contractor quit, telling the NCHA the situation was hopeless and he couldn't make any money.

The NCHA's assessment of the rat problem generated by the Kenilworth dump does not jibe with the assessment given by William F. Roeder, chief of the Sanitation Division.

"You won't see any rats at Kenilworth," Roeder said. "There's no garbage out there any more—only trash—and the whole place is baited every two weeks."

Edward Aronov, director of National Capital Housing Authority, disagrees. "How can you effectively bait a place as big as that?" he asked. "Rats could eat there for weeks and not pick up a piece of poisoned food."

Vector Control's Travis agreed there were rats, but said baiting helped. "It helps prevent a population explosion," he said. "If we didn't bait at Kenilworth, there would be a billion rats out there."

There seemed to be some confusion about just who is dumping garbage in Kenilworth and how much of it there is. The District no longer dumps garbage at Kenilworth. But a source reached by a reporter says that he personally dumps trash and garbage at Kenilworth. "The guards out there know me," he said.

The garbage problem at Kenilworth isn't the only one that figures in the rat problem. The problem is Districtwide.

GARBAGE COLLECTION PROCEDURES

Garbage is picked up twice a week in Washington. The way it is picked up is discussed by homeowners with some frequency.

"I don't even let the District pick up my garbage," said the owner of an apartment building in Northeast. "They have so many new people that half the time, they didn't even know where to find my garbage cans."

Said another resident who preferred to remain anonymous: "Is there some early reason why they have to smash the cans on the ground?"

"It's true that we have some turnover and an absenteeism problem," says the Sanitation Division's Roeder.

"It isn't easy to find garbage collectors who really love their work and have a loyalty to it." Garbage collectors in the District now earn $2.10 an hour; Roeder is hopeful the pay can be increased soon.

As to the problem of smashed cans, Roeder says the Sanitation Division has new "packer-type" trucks on order. They cost $15,000 apiece and the District hopes to have 75 of them in hand by 1970. These trucks eliminate the need for hoisting cans of garbage high overhead. The garbage is placed into a trough at waist level. "After we've made the switch, the breakage of cans problem should diminish," Roeder said.

Roeder said the District now spends nearly $3 million a year just cleaning the streets. Trash collection costs $2 million a year, garbage $1 million.

"The amount of garbage in the District is decreasing about 5 per cent a year," he said, "because of increased use of garbage grinders and frozen foods."

Roeder said the Sanitation Division has no enforcement power and only one inspector for the entire city's garbage.

Officials at the Sanitation Division think the twice-a-week garbage collection does not add to the rat problem.

"On the other hand, a once-a-week trash collection isn't enough," said Roy L. Orndorff, director of the District's Department of Sanitary Engineering. "We hope to have more frequent collections soon."

POISON NOT SUFFICIENT

Whatever programs are developed, it is quite clear that poison alone will not do the job.

Travis, the District Government's No. 1 rat fighter, explains:

"Rats develop a shyness to poison. If they ever become sick from a particular poison they never eat the poison again. Rats are very clever that way.

"The reason rats gnaw so much is because they have to. If he didn't, his teeth would grow five inches a year. Their teeth are sharp enough to gnaw through a lead pipe . . ."

It is because of this that Travis and other experts on rats warn against the use of plastic garbage containers. William Roeder says the cans should be metal, and should be placed six inches above the ground.

Some people say they actually see rats during mid-day. This is the case at the Stanton and Douglass public housing.

Travis says this means the problem is especially bad.

"When the food supply isn't enough to

sustain the rats," Travis explained, "the weaker rats start coming out during daylight hours to forage for food because the younger, stronger ones get it all, otherwise.

"If you see one rat during the day, you probably have 20 to 40 rats in your house."

HOW TO GUARD AGAINST RATS

What does Washington need to control its rat problem?

Experts in the field feel that, at the outset, it needs (1) a program to provide for intensive poisoning of rodents, (2) an educational program for both landlords and tenants who violate housing and sanitation codes, (3) stricter enforcement against dumping garbage in Washington, (4) better policing of all commercial establishments selling food, and (5) a Sanitation Division with better equipment and men who take care not to handle garbage containers carelessly.

Residents can take these steps on their own.

Buy only metal garbage cans and make certain the lids fit tight. If possible, buy metal stands to keep them six inches off the ground.

Keep garbage out of trash cans and vice-versa.

Keep kitchens, hallways, stairs and alleys free of litter.

Keep doors shut and have broken windows repaired promptly.

Tell children not to topple garbage cans.

Keep dog houses and pet cages clean. Yards and alleys should be kept free of bones.

If rats or rat burrows are seen, tenants should notify their landlords and the Housing Division. The number is 629-4635. Private homeowners must call a commercial exterminator.

Poor persons may secure free rat poison from the Health Department at either 3246 P st. nw., or at a Health Department clinic at Delaware Avenue and I Street nw.

CIGARETTE TAX ENFORCEMENT CONFERENCE

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

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

There was no objection.

Mr. TENZER. Mr. Speaker, I was privileged today to address the taxing authorities and law enforcement authorities of 16 States at the Cigarette Tax Enforcement Conference, sponsored by Gov. Nelson A. Rockefeller, and held at the New York Hilton Hotel in New York City.

The conference dealt with possible methods of curbing and eliminating the illicit practice of cigarette smuggling. I first addressed my colleagues in the House on this problem on March 30, 1966—see the CONGRESSIONAL RECORD, volume 112, part 6, page 7307—the day when I introduced a bill to assist the States to collect cigarette taxes—then H.R. 14153, now H.R. 2153—and to make cigarette bootlegging a Federal crime.

On April 20, 1966, I again addressed my colleagues in the House advising them of the support for this legislation which had been forthcoming from Governor Rockefeller and New York City Mayor John V. Lindsay. See CONGRESSIONAL RECORD, volume 112, part 7, page 8654.

In the 90th Congress I again introduced the legislation—H.R. 2153—and I requested the Federal Bureau of Investigation to conduct an investigation of charges that crime syndicates had taken over the practice of cigarette bootlegging and yesterday I was informed that the FBI investigation is still being conducted. See CONGRESSIONAL RECORD June 1, 1967, page 14573.

Because of the breadth of this problem, I include at this point in the RECORD the program for the conference and the text of my remarks and those of Governor Rockefeller:

CIGARETTE TAX ENFORCEMENT CONFERENCE, TUESDAY, SEPTEMBER 12, 1967

9:00 A.M.

Keynote: Governor Rockefeller.

9:30 A.M.

Untaxed Cigarettes—Anatomy of the problem.

Moderator: John J. McGuire, Deputy Superintendent, New York State Police.

1. Enforcement in New York:

Panelists: The Police Effort; Louis C. Cottell, Deputy Inspector, New York City Police Department; Counterfeiting of Tax Stamps, Nathan H. Mitchell, Director, Special Investigations Bureau, New York State Department of Taxation and Finance; Role of the District Attorney, Joseph Stone, Assistant District Attorney, New York County.

10:30 A.M.

2. The current effort in eastern States:

Panelists: Present Cooperative Efforts, Amos Tilton, Supervisor, New Jersey Cigarette Tax Bureau: Legal Problems, John G. Lynch, Legal Counsel, Pennsylvania Bureau of Cigarette and Beverage Taxes; The Maryland Program, Edward J. McCabe, Program Executive for Public Safety, Maryland.

11:15 A.M.

3. Criminal infiltration of legitimate business. Is the danger real?

Panelists: Edgar Cullman, President, General Cigar Co.; Morris Weintraub, Managing Director of Wholesale Tobacco Distributors of New York, Inc. and Managing Director of Cigarette Merchandisers Association, Inc.; Irving P. Seidman, Assistant District Attorney, Kings County, New York.

12:15 P.M.

Luncheon, Sutton Ballroom South.

1:30 P.M.

Intergovernmental cooperation.

Moderator: Charles Conlon, Executive Director, Federation of Tax Administrators.

1. Interstate cooperation:

Panelists: Prospects for Controlling Contraband Shipments, Ronald S. Regar, Eastern Regional Governor, National Tobacco Tax Association, Harrisburg, Pennsylvania; The Cooperative Program, John J. Purcell, Director, New York State Miscellaneous Tax Bureau and 1967 Coordinator of the Cooperative Enforcement Program of 11 Eastern States and New York City.

2:15 P.M.

2. Future prospects:

Panelists: The Need for a New Look, Roy Goodman, New York City Finance Administrator; Collection at the Source, William G. Colman, Executive Director, Advisory Commission on Intergovernmental Relations, Washington, D.C.

3:15 P.M.

3. Federal cooperation:

Panelists: Federal Legislation, Congressman Herbert Tenzer; The Role of the F.B.I., John F. Malone, Assistant Director, Federal Bureau of Investigation, New York City Office

4:00 P.M.

Conference summary:

Joseph H. Murphy, New York State Commissioner of Taxation and Finance, Conference Chairman.

STATEMENT OF CONGRESSMAN HERBERT TENZER, FIFTH DISTRICT, NEW YORK, PREPARED FOR DELIVERY AT GOVERNOR ROCKEFELLER'S CIGARETTE TAX ENFORCEMENT CONFERENCE, SEPTEMBER 12, 1967

I am grateful to the distinguished Governor of the State of New York, Nelson A. Rockefeller, and to the Commissioner of Taxation and Finance, Joseph H. Murphy, for affording me the opportunity of participating as a panelist in this Cigarette Tax Enforcement Conference.

Only by the fullest cooperation between the taxing authorities of the sixteen states participating in this Conference, on the one hand, and the Federal government on the other, will it be at all possible to curtail and ultimately to eliminate the practice of cigarette smuggling.

I first became interested in the subject in February, 1966, when I was informed that an itinerant purveyor of cigarettes, using a large black limousine, was enlisting high school youths in one of my Long Island communities to sell untaxed cigarettes to family and neighbors at reduced prices. These students, leaving their books as "security" for the return of the cigarettes or the proceeds of sale, were unwittingly becoming involved in the widespread cigarette bootlegging racket. A distressed mother who reported the incident was deeply concerned about the involvement of her son and some of his schoolmates in what I promptly told her was an illegal practice. When she told her son that she had reported the matter to her Congressman, and he in turn notified the unidentified supplier, visits to the community high school terminated. This perversion of our youth, contributing to and promoting juvenile delinquency and disrespect for law and order, motivated me to make inquiry into existing statutes applicable to the situation.

To my utter amazement, I found none.

It became evident that the growing practice of cigarette bootlegging was depriving state and municipal taxing authorities of millions of dollars in revenue. I learned that New York State and New York City, both searching for new sources of revenue to meet the increasing cost of government services, were losing between $50 and $60 million dollars annually in tax revenue, because of interstate cigarette smuggling. I also learned that other states and cities were likewise being deprived of tax revenues.

It became obvious that of important significance was the effect of this unlawful trade upon the small businessman—the independent retailer—the chain store and department store—who were not only losing cigarette sales but suffered loss of other business, resulting from the fact that customers were entering stores less frequently. While their sales declined, the bootleggers trade was increasing.

Thus the states not only lose revenue from the sale of cigarette tax stamps, but also the revenue which flows from gross volume and income taxes.

My investigation of Federal legislation disclosed that in 1949 there started a practice of advertising and offering for sale, tax-free cigarettes by mail. This naturally followed wherever a wide difference developed between cigarette prices in one state and that of a neighboring state. At that time, state and city taxing authorities, retailers, wholesalers, and merchants raised their voices and the Congress of the United States passed the Jenkins Act of 1949, later amended. (15 USC 375-378).

The Jenkins Act was passed to assist states in collecting sales and use taxes on cigarettes shipped in interstate commerce. The law required the seller to file reports of such sales with the taxing authorities of the receiving state. It is reported that soon after the Jen-

kins Act became law the practice of selling cigarettes by mail stopped.

That is why on March 30, 1966, I introduced a bill to amend the Jenkins Act, which would require anyone selling or transporting in excess of 5,000 cigarettes (25 cartons) to file a report with the taxing authorities of the state into which the cigarettes are being shipped or transported.

The purpose of the legislation is to eliminate the bootlegging of cigarettes; to protect the small businessman from economic harm resulting from the illegal practice; and to channel the sale and distribution of cigarettes through legitimate established sources. Just as the original Jenkins Act effectively eliminated the advertising and mailing of cigarettes for tax evasion, so do I believe that my bill to amend the Jenkins Act will effectively eliminate the illegal shipping or transporting cigarettes in interstate commerce.

I am pleased that after I introduced H.R. 14153 in the 89th Congress, my colleagues, the Honorable Richard L. Ottinger and the Honorable Seymour Halpern, both of New York, introduced identical bills. I was also pleased when the Baltimore conference of the taxing authorities of thirteen states, the District of Columbia, and New York City, held on April 15, 1966, unanimously endorsed my bill.

The distinguished Mayor of the City of New York, my former colleague, the Honorable John V. Lindsay, in his letter to me on April 14, 1966, stated as follows:

"We are grateful for your welcome interest in this problem and are anxious to provide you with whatever assistance you feel appropriate. We will help in any way possible to assist you in bringing about the early enactment of critically needed legislation. We have every appropriate agency of the city working on the problem, but Federal legislation is a must if we are to be effective."

I was further encouraged when Senator Joseph D. Tydings of Maryland introduced my bill in the Senate of the United States on May 3, 1966, and reported in detail on the Baltimore conference (see Congressional Record, vol. 112, pt. 8, pp. 9525–9528). Additional impetus was given when our own Governor, at his annual legislative dinner with the New York Congressional Delegation in Washington, held early this year, specifically endorsed H.R. 2153 and pointed out how urgent it was for the Federal government to take appropriate action to assist the states in bringing an end to cigarette bootlegging.

The distinguished Comptroller of the State of Maryland, the Honorable Louis L. Goldstein, in his letter to Senator Joseph D. Tydings on April 19, 1967, stated as follows:

"Congressman Herbert Tenzer, of New York, has recently introduced a bill, H.R 14153, which would amend the Jenkins Act so that it would apply to the present method of bootlegged cigarettes.

"At a recent conference in Baltimore, held at my invitation, the tax representatives from 13 cigarette-taxing States, the District of Columbia, and the city of New York were present and at this meeting a unanimous resolution was adopted to urge our respective Senators and Congressmen to support Congressman Tenzer's bill, H.R. 14153.

"This remedial legislation is needed immediately and your active support of this bill will be greatly appreciated by the State of Maryland and the other States which are being victimized by this insidious form of tax evasion. We are confident that the mere existence of Congressman Tenzer's amendment as a law of the United States would aid the States in their enforcement in much the same manner that the original Jenkins Act put a stop to mail order sales.

"As State comptroller of the State of Maryland, I am vitally concerned with the increased traffic on our highways of contraband cigarettes and the well-organized criminal elements involved and I wish to take every means possible to stop this illicit traffic. At the same time, the tobacco tax revenues of our State must be protected, as well as our other revenues.

"Needless to say, your active participation and support of H.R. 14153 is greatly needed and you will be performing a valuable service for the people of Maryland and our sister States by supporting this bill."

Recently Senator Jacob K. Javits of New York and Senator Clifford P. Case of New Jersey, both introduced companion bills in the Senate. Yet, while tax authorities from the various states affected by cigarette bootlegging have been working together in an effort to curb the illegal practice, they have thus far failed to interest their Senators and Representatives in Congress in support of remedial legislation.

Since 1966, the activity has taken on new dimensions. Cigarettes are now being shipped in interstate commerce not only by private car "trunkload" but in carload and trailer load lots. To escape detection, it was recently revealed that two station wagons loaded with unstamped cigarettes were being transported piggy-back style in a large interstate trailer.

As the city and State taxing authorities increase their surveillance other and more devious means are being employed. The distinguished and courageous district attorney of Kings County, N.Y., Aaron Koota, now has before the grand jury a case involving an arrest made recently "involving over 11,000 cartons of untaxed cigarettes." The district attorney told me that "indications are that the vendor of these cigarettes in North Carolina actively participated in concealing these cigarettes through a form of camouflage so as to prevent detection by law enforcement officials."

Recent grand jury proceedings in New York City have raised speculation that the illicit practice of cigarette smuggling has become such a big business that underground elements have taken over this field. Because organized crime syndicates may be involved and in light of my request for a Justice Department investigation into cigarette bootlegging, I contacted New York State and city officials as well as the district attorneys in the five counties of New York City and Nassau and Westchester Counties asking them to cooperate by turning over any pertinent evidence to the Federal Bureau of Investigation.

I have been told that in order to facilitate distribution of bootlegged cigarettes, counterfeit State tax stamps are affixed to each cigarette pack. Since these cigarettes are shipped in interstate commerce, I contacted the Attorney General of the United States to request a review of existing Federal statutes to ascertain whether there was Federal jurisdiction in such cases.

Assistant Attorney General Fred M. Vinson, Jr., confirmed that Federal statutes are being violated, in his letter to me of May 18, 1967, in which he said:

"The mere affixing of a counterfeit stamp or making of a false meter impression is not a Federal criminal violation unless the package on which it is affixed or imprinted is transported in interstate commerce. The third paragraph of Section 23.14, Title 18, United States Code, proscribes the transportation, in interstate commerce, of 'any falsely made, forged, altered, or counterfeited securities or tax stamps . . .' The fourth paragraph proscribes the transportation, in interstate commerce, of any tool or thing used in the making of such false security or tax stamp. The legislative history of Section 2314 reveals that it was amended in 1961 to cover state tax stamps and meter impressions after state officials had testified before the House Committee on the Judiciary about the large revenue losses suffered by states affected by the use of false stamps and impressions, especially when they had been made in another state.

"Violations of this statute are investigated by the Federal Bureau of Investigation. Investigations of offenses involving 'underworld elements' are given special attention in the Criminal Division."

I was assured that the FBI would undertake an investigation with particular attention to possible underworld involvement and the violation of Federal law.

Recently, two other proposals have been made.

The first seeks to authorize a 20 cent Federal tax on cigarettes in lieu of state and local taxes. The difficulty with this proposal is that it involves a major change in the tax system with a relinquishment of the traditional tax powers of the state.

If I am having difficulty in obtaining a public hearing on my Bill, how much more difficulty would we experience with a Bill incorporating the single Federal tax on cigarettes proposal.

In addition, state taxes range from zero to eleven cents per pack and redistribution of the tax collection would be very difficult. Following is a summary of the amount of State cigarette taxes per pack, now in effect, exclusive of City taxes:

Number of States:	*Taxes per pack* *Cents*
3	11
5	10
2	9
19	8
6	7
1	6½
3	6
3	5
1	4½
2	4
2	3
1	2½
1	2
1	0

Accordingly this proposal, if feasible at all, will require lengthy public hearings with a doubtful outcome.

The second proposal seeks to require state and local tax authorities to collect their taxes directly from the manufacturer—but this proposal would require each manufacturer to earmark each case of cigarettes by state of distribution and maintain separate inventories, it would create operational problems for wholesalers who cross state lines to distribute their products, it will add to consumer prices by creating problems for chains and supermarkets with regional warehouses, serving stores in two or more states, by adding to inventory and shipping costs. This would unduly restrict the free flow of goods in commerce.

The New York *Times* on Sunday, September 10, 1967, in a story about this conference amongst other things referred to my bill as "a proposal that is more modest, and thus more feasible." The article further pointed out that my bill would make "interstate bootleg shipments of cigarettes . . . a Federal crime" while "under present law, it is a Federal crime only when the mails are used."

I urge the delegates to this conference to endorse H.R. 2153, a bill to control all types of illegal transportation of cigarettes.

I would also urge that on your return to your respective state houses you request your governor to call upon the congressional delegation of your state to become interested in the legislation and let their voices be heard on the floor and in letters to the Chairman of the House Ways and Means Committee.

I wholeheartedly endorse the proposal that an interstate body be established to coordinate state efforts to curb the illicit practice of cigarette bootlegging.

EXCERPTS OF REMARKS BY GOV. NELSON A. ROCKEFELLER PREPARED FOR DELIVERY AT CIGARETTE TAX ENFORCEMENT CONFERENCE, NEW YORK HILTON HOTEL, NEW YORK CITY, N.Y.

I want to thank all of you for accepting our invitation to come here today so that we

can tackle a complex problem that affects all our states.

Some call it cigarette bootlegging, others refer to it as buttlegging, but by whatever name, the evasion of cigarette taxes not only robs our governments of much needed revenue;

—it also undermines public morality by making the usually law-abiding citizen an accomplice of big-time racketeers and small-time hoodlums.

And so I am deeply grateful that we have been able to gather this outstanding assembly of experts and authorities to explore ways of curbing the serious and growing traffic in untaxed cigarettes.

Today our subject is tax revenue, and while the evasion of cigarette taxes can inflict losses on all of us, let me illustrate the problem by describing specifically New York State's recent experience.

In April of 1965 New York State doubled the tax on cigarettes from five to ten cents.

As a result we might reasonably have expected our revenue from cigarette taxes to just about double too. But it didn't—it fell far short of our expectations.

I suppose some of the decline might be explained by those reports over the past few years that relate smoking to lung cancer, heart disease and other illnesses.

But I'm more inclined to believe that most smokers fall into the category of the fellow who became so upset reading about the health dangers of smoking that he gave up reading.

Actually, our State Budget Director, Dr. Norman Hurd, estimates that New York State is losing about $40,000,000 this year—through the evasion of cigarette taxes.

Obviously, nobody enjoys paying taxes on cigarettes or any other commodity.

And the fellow who buys his cigarettes under the counter or from someone making the rounds of offices and factories, may get a kick out of beating the tax.

But I wonder if this person—who's basically probably an honest citizen—stops to think that he is fattening the bank roll of a racketeer;

That he is furthering the career of some fast-buck artist;

That he is helping to undermine the moral fiber of our society.

In New York State, the revenue from cigarette taxes helps finance our schools, our health programs, and other vital public services.

If we can't finance these services from one tax source we have to finance them from another.

So the real loser in the cigarette bootlegging business is John Q. Citizen; the only winners are criminals.

Today, the racketeers may be making their money by merely smuggling and selling untaxed cigarettes.

But how long will it be before they decide to move in on the supply end of the business, just as they did during Prohibition; if they haven't already done so.

When this happens, cigarette makers will have a tiger by the tail—organized crime is a vicious tiger to try to deal with.

Consequently, I am very pleased that Governor Dan Moore of North Carolina, the State that is the nation's leading supplier of cigarettes, has sent his representative to this conference.

Yes, all our states have a stake in combatting the illegal traffic in cigarettes.

Here in New York, we have been carrying out a hard-driving campaign against cigarette smugglers, sellers and tax stamp counterfeiters.

The City of New York is waging a superb campaign of cigarette tax enforcement in close cooperation with our State Tax Department.

In the five months ending August 31, this State and City effort has resulted in 264 arrests, 116 convictions and the seizure of illegal cigarettes totalling 741,700 packs.

We have strengthened our state laws.

We have added investigators to our staff.

Right now we are introducing a new joint State-City tax stamping system here in New York to combat the counterfeiting of metered cigarette tax stamps.

And yet we are doing little more than holding our own against the rising tide of untaxed cigarettes crossing our borders.

The problem is that the lines of a single state or city pose no barrier to the cigarette bottlegger.

That is why I have asked you here today—so that together we can attack a problem that harms all of us and which none of us can really resolve alone.

This conference enables us to take a fresh look at the problem.

We must consider:

Stronger laws in our cities and states;

The strengthening of Federal law without impeding legitimate interstate commerce;

The development of better cooperative enforcement efforts among the states;

An expanded role for the FBI in the war against violators;

The possibility of a plan for the collection of taxes at the source to be made by the cigarette manufacturer;

The possibility or even the desirability of centralized collection by the Federal government.

And we must consider industry's responsibility.

And to what extent have criminal elements already invaded the cigarette business?

These are some of the questions we will be raising in the course of this conference.

We won't solve the problem here today. We don't expect to.

But I'm confident that when we gather a group of first-rate people together such as you represent, we are going to come up with some first-rate thinking on the problem at hand.

We also want to make sure that the good ideas born here in the conference don't die here.

Consequently, I have asked Joe Murphy, your conference chairman, to appoint a continuing committee from among those of you present here today.

This continuing committee will follow up on your recommendations to see that they are explored in depth so that the best of them are put to work.

We are bucking a well-organized, sophisticated band of big-time racketeers and a proliferation of petty crooks. We can beat them.

But to do so we are going to have to work together, all of us in every state involved—public officials, law enforcement personnel, legislators, and the cigarette industry itself.

Today we are taking an important first step along the path of cooperation.

This initial effort can demonstrate to cigarette racketeers that we are determined to put them out of business or behind bars.

Again thanks for your cooperation and your presence at this conference.

Mr. Speaker, for the information of my colleagues and to facilitate any inquiries which they wish to make into the effect of cigarette smuggling in their States, I place in the RECORD at this point a schedule of State cigarette tax rates in effect as of September 1, 1967:

STATE CIGARETTE TAX RATES IN EFFECT ON SEPT. 1, 1967

State	Year first enacted	Rate, July 1, 1950 (cents)	Changes	Rate Sept. 1, 1967 (cents)
Alabama	1927	3.0	3–4 cents, July 1, 1955; 4–6 cents, Oct. 1, 1959; 6–7 cents, Oct. 1, 1965	7.0
Alaska [1]	1949	3.0	5 cents, Jan. 1, 1959; 5–8 cents, July 7, 1961	8.0
Arizona	1933	2.0	2–6½ cents, July 1, 1965	6.5
Arkansas	1925	4.0	4–6 cents, Mar. 9, 1951; 6–8 cents, Mar. 5, 1965	8.0
California	1959	0	3 cents, July 1, 1959; 3–7 cents, Aug. 1, 1967	[2] 7.0
Colorado	1964	0	3 cents, July 1, 1964; 3–5 cents, June 1, 1965	5.0
Connecticut	1935	3.0	3–4 cents, Feb. 1, 1956; 4–3 cents, Nov. 1, 1956; 3–5 cents, July 1, 1961; 5–6 cents, July 1, 1963; 6–8 cents, July 1, 1965.	8.0
Delaware	1949	2.0	2–3 cents, Oct. 1, 1953; 3–5 cents, Nov. 1, 1961; 5–7 cents, Aug. 1, 1965	7.0
District of Columbia	1949	1.0	1–2 cents, July 1, 1954; 2–3 cents Nov. 1, 1966	3.0
Florida	1943	5.0	5–8 cents, July 1, 1963	8.0
Georgia	1923	5.0	5–3 cents, July 1, 1951; 3–5 cents, July 1, 1955; 5–8 cents, Mar. 1, 1964	8.0
Hawaii [1]	1939	2.9	3.9 cents, Jan. 1, 1960; 3.9–8 cents, July 1, 1965 (rate is 40 percent of wholesale price)	8.0
Idaho	1945	3.0	3–4 cents, May 4, 1955; 4–5 cents, July 1, 1959; 5–6 cents, July 1, 1961; 6–7 cents, May 19, 1963	7.0
Illinois	1941	3.0	3–4 cents, Aug. 1, 1959; 4–3 cents, June 8, 1960; 3–4 cents, May 1, 1961; 4–7 cents, Aug. 1, 1965; 7–9 cents, Aug. 1, 1967.	9.0
Indiana	1947	3.0	3–4 cents, June 1, 1963; 4–6 cents, May 1, 1965	6.0
Iowa	1921	2.0	2–3 cents, July 1, 1953; 3–4 cents, July 4, 1959; 4–5 cents, July 4, 1963; 5–8 cents, July 1, 1965; 8–10 cents, Aug. 1 1967.	10.0
Kansas	1927	3.0	3–4 cents, Apr. 1, 1957; 4–6 cents, Apr. 1, 1964; 6–8 cents, May 1, 1965	8.0
Kentucky	1936	2.0	2–3 cents, July 1, 1954; 3–2½ cents, July 1, 1960	2.5
Louisiana	1926	8.0		8.0
Maine	1941	4.0	4–5 cents, July 1, 1955; 5–6 cents, July 1, 1961; 6–8 cents, July 1, 1965; 8–9 cents, July 1, 1967	9.0
Maryland	1958	0	3 cents, July 1, 1958; 3–6 cents, July 1, 1961	6.0
Massachusetts	1939	5.0	5–6 cents, July 29, 1958; 6–8 cents, Jan. 1, 1965; 8–10 cents, Mar. 3, 1966	10.0
Michigan	1947	3.0	3–5 cents, Aug. 1, 1957; 5–6 cents, Feb. 1, 1960; 6–5 cents, July 1, 1961; 5–7 cents, July 1, 1962	7.0
Minnesota	1947	4.0	4–5½ cents, Aug. 1, 1959; 5½–7 cents, July 1, 1961; 7–8 cents, May 21, 1963	8.0
Mississippi	1930	4.0	4–5 cents, Mar. 1, 1955; 5–6 cents, July 1, 1958; 6–8 cents, July 1, 1962; 8–9 cents, July 1, 1964	9.0
Missouri	1956	0	2 cents, Jan. 1, 1956; 2–4 cents, May 1, 1961	4.0
Montana	1947	2.0	2–4 cents, Dec. 7, 1950; 4–5 cents, Feb. 25, 1957; 5–8 cents, July 1, 1957	8.0
Nebraska	1947	3.0	3–4 cents, Sept. 20, 1957; 4–6 cents, June 1, 1963; 6–8 cents, Apr. 1, 1965	8.0
Nevada	1947	3.0	3–7 cents, July 1, 1961	7.0
New Hampshire	1939	2.5	2½–3 cents, July 1, 1951; 3½–4½ cents, July 1, 1965; July 1, 1967 (rate is 30 percent of retail price)	6.5
New Jersey	1948	3.0	3–5 cents, Apr. 1, 1956; 5–6 cents, Jan. 6, 1961; 6–7 cents, May 23, 1961; 7–8 cents, June 1, 1963; 8–11 cents, June 16, 1966.	11.0

See footnotes at end of table.

STATE CIGARETTE TAX RATES IN EFFECT ON SEPT. 1, 1967—Continued

State	Year first enacted	Rate, July 1, 1950 (cents)	Changes	Rate Sept. 1, 1967 (cents)
New Mexico	1943	4.0	4–5 cents, July 1, 1955; 5–8 cents, July 1, 1961	8.0
New York	1939	3.0	3–5 cents, Apr. 1, 1959; 5–10 cents, Apr. 1, 1965	10.0
North Dakota	1925	5.0	5–6 cents, July 1, 1951; 6–7 cents, July 1, 1963; 7–8 cents, July 1, 1965	8.0
Ohio	1931	2.0	2–3 cents, Mar. 1, 1956; 3–5 cents, June 1, 1959; 5–7 cents, Sept. 1, 1967	7.0
Oklahoma	1933	5.0	5–7 cents, July 1, 1961; 7–8 cents, July 1, 1965	8.0
Oregon	1966	0	4 cents, July 1, 1966	4.0
Pennsylvania	1935	4.0	4–5 cents, Oct. 1, 1955; 5–6 cents, June 1, 1959; 6–8 cents, June 1, 1963	8.0
Rhode Island	1939	3.0	3–5 cents, June 1, 1958; 5–6 cents, June 1, 1960; 6–8 cents, June 1, 1964	8.0
South Carolina	1923	5.0	5–3 cents, July 1, 1951; 3–5 cents, July 1, 1959	5.0
South Dakota	1923	3.0	3–3¼ cents, July 1, 1955; 3¼–5 cents, July 1, 1959; 5–6 cents, July 1, 1963; 6–8 cents, July 1, 1965	8.0
Tennessee	1925	3.0	3–5 cents, Apr. 2, 1951; 5–7 cents, June 1, 1963; 7–8 cents, June 1, 1967	8.0
Texas	1931	4.0	4–5 cents, Sept. 6, 1955; 5–8 cents, Sept. 1, 1959; 8–11 cents, July 1, 1965	11.0
Utah	1923	2.0	2 to 4 cents, Feb. 19, 1954; 4 to 8 cents, July 1, 1963	8.0
Vermont	1937	4.0	4 to 5 cents, July 1, 1957; 5 to 7 cents, July 1, 1959; 7 to 8 cents, July 3, 1963; 8 to 10 cents, July 1, 1965	10.0
Virginia	1960	0	3 cents, Aug. 1, 1960; 3 to 2½ cents, Sept. 1, 1966	2.5
Washington	1935	4.0	4 to 5 cents, May 1, 1955; 5 to 6 cents, June 1, 1959; 6 to 7 cents, Apr. 15, 1961; 7 to 11 cents, June 1, 1965	11.0
West Virginia	1947	1.0	1 to 4 cents, July 1, 1951; 4 to 5 cents, July 1, 1956; 5 to 6 cents, July 1, 1961	6.0
Wisconsin	1939	3.0	3 to 4 cents, July 1, 1955; 4 to 5 cents, July 1, 1957; 5 to 6 cents, Sept. 1, 1961; 6 to 8 cents, Aug. 15, 1963; 8 to 10 cents, Aug. 1, 1965.	10.0
Wyoming	1951	0	2 cents, July 1, 1951; 2 to 3 cents, July 1, 1957; 3 to 4 cents, July 1, 1959; 4 to 8 cents, July 1, 1967	8.0

[1] Alaska became a State Jan. 3, 1959; Hawaii, July 4, 1960.

[2] Rate will increase to 10 cents, effective Oct. 1, 1967.

PENDING CIGARETTE TAX LEGISLATION

Pending before legislatures still in session	Proposed, but not acted on (legislature has adjourned)	Distribution of States by rate: Rate per pack (cents)	Distribution of States by rate: Number of States
Alabama, 7 to 8 cents [1]	Michigan, 7 to 10 cents [2]	2½	2
Delaware, 7 to 10 cents	Nebraska, 8 to 10 cents	3	1
Florida, 8 to 10 cents [3]	Oklahoma, 8 to 9 cents	4	2
North Carolina, 0 to 5 cents [4]	Rhode Island, 8 to 13 cents	5	2
Pennsylvania, 8 to 13 cents [5]	South Carolina, Decrease of ½ cent per year through 1971	6	3
		6½	2
		7	7
	Texas, 11 to 12 cents	8	20
	West Virginia, 6 to 7 cents	9	3
		10	5
		11	3
Total			50

[1] Passed by legislature, bill sent back by Governor for reasons not affecting the increase; likely to be approved.
[2] Will have special session in October.
[3] Passed by legislature; vetoed by Governor; veto will probably stick.
[4] Not likely to be approved.
[5] Passed by house, awaiting action by senate; likely to be approved.

Mr. Speaker, I am very pleased that Governor Rockefeller has asked me to serve as a member of the Continuing Committee on Cigarette Tax Enforcement—an eight-member panel which will keep a close watch on all activities which can reduce this practice of cigarette bootlegging and assist the States in the collection of cigarette taxes.

I will serve to the best of my ability and subject to my congressional duties which must take priority. I will continue to press for Federal assistance in this area. I urge my colleagues to review this problem with particular attention to their own States and to support Federal legislation to assist the States in this area.

SUPPORT FOR THE PRESIDENT'S TAX PROPOSAL

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. KING] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KING of California. Mr. Speaker, If there is one subject that makes people unhappy, regardless of their background, their position in life, or their political persuasion, that subject is taxes. President Johnson's proposal for a surcharge on income taxes is no exception to this general rule. Immediately following the announcement, newspapers and magazines were quoting individuals and organizations in opposition to the tax surcharge proposal.

This reaction should not have surprised anyone. It is asking too much of human nature to expect people to smile when they are asked to pay higher taxes. As the days have gone by, however, and as sober second thoughts have set in, people have begun to realize that the tax proposal cannot really be evaluated all by itself. The question is not—should we or should we not have a tax hike? The question is—what are the alternatives to an increase in taxes? Here are just a few: A threat of inflation. Tight money. An enormous Federal deficit. A slowdown in our exports.

In the perspective of time for thoughtful consideration, and from a broader point of view, the Nation and the people seem to be facing up realistically to the tax issue. Based upon a sampling of editorial comment around the Nation concerning the tax proposal, I would say that a new climate of opinion is emerging. I should like to give my colleagues the flavor of this new climate of opinion by quoting from editorials on the tax proposal. Here are some examples:

From the Albuquerque *Tribune*.—"The preferred answer, then, is a substantial tax increase. . . ."

From the Arkansas *Gazette*.—". . . government borrowing to meet deficits is inflationary, and a tax increase tends to the opposite effect."

The Atlanta Constitution.—"This certainly is not too high a price for anyone to pay to meet our commitments at home and abroad and to protect our economy from runaway inflation which would cost much more."

Birmingham Post-Herald.—"The proposed tax increases are essential, popular or not."

The Charleston Gazette, West Virginia.—"Despite Agonies, Tax Hike Is Path U.S. Must Follow."

Chattanooga Times.—"A Necessity, Unfortunately."

Chicago Sun-Times.—"Hardly anyone in banking, industrial or government circles doubts the inevitability or the economic wisdom of a temporary increase in corporate and individual income taxes as requested of Congress by President Johnson."

Commercial Appeal, Memphis, Tennessee.—". . . the nation already has over-spent and higher taxes are needed now. . . ."

The Detroit News.—"The bare bones of President Johnson's tax program must be accepted as necessary for the economic welfare of the country."

The East Oregonian.—"But in the end, the surtax will be approved. It must be."

The Hartford Courant.—"So though the tap on the pocketbook be more than expected, it is an inconvenience small in comparison to what is borne by Americans putting their lives on the line in Vietnam."

The Houston Post.—"Only the reckless or the political haymakers now doubt the need for some kind of tax increase."

The Minneapolis Star.—"But the pace of wage and price inflation indicates that some of the pressure of spending should be removed. A tax hike would do that."

The Post & Times-Star, Cincinnati, Ohio.—"Nobody really wants to pay more taxes . . . Business is vitally affected . . . But it is no more affected than the individual taxpayer."

Rocky Mountain News.—(repeating the statement of the president of the NAM) "a

tax increase would be a shock to the economy, but so would a $29 billion deficit."

San Antonio Light.—"The President's request . . . represented a simple facing of undeniable facts."

San Francisco Examiner.—" . . . federal income and the nation's economy absolutely must be kept in a healthy balance."

Springfield, Massachusetts *Daily News.*—". . . a tax rise seems the best way of maintaining the nation's economic health."

Mr. Speaker, these editorials come from newspapers in every section of the country, and they represent many different points of view. But they are united in their agreement that a tax increase is needed at this time. For the edification of my colleagues, I insert these editorials in the RECORD.

[From the Albuquerque (N. Mex.) Tribune, Aug. 25, 1967]

THE ECONOMY AND TAX BOOST

At the hearings before the House Ways and Means Committee on President Johnson's request for a 10 per cent increase in the income tax, the testimony naturally has been quite varied. Nobody really wants to pay more taxes.

This week the committee mostly has been hearing from business leaders. Business is vitally affected by a raise in taxes, just as it is affected by a raise in the cost of labor or the raw materials which go into its products.

But it is no more affected than the individual taxpayer, who has the additional disadvantage of not being able to pass on to a customer any part of his increased costs of living.

The National Assn. of Manufacturers urged the Ways and Means Committee to raise taxes, although the NAM spokesman said eight per cent would be enough if the government also would cut spending.

The United States Chamber of Commerce flatly opposed any tax increase, saying this should be deferred until we see whether the economy will launch another boom. Meanwhile, it too recommended severe cuts in spending.

W. P. Gullander, president of the NAM, said a tax increase would be a "shock" to the economy. But, he said, so would the $29 billion deficit the government has in prospect if there is no tax increase.

That, of course, is the issue. The economy is going to get jolted in any case. But government borrowing to meet deficits is inflationary, and a tax increase tends to the opposite effect.

The preferred answer, then, is a substantial tax increase, because it is the lesser of two bad deals—much the lesser.

But even a 10 per cent tax increase won't solve the problem unless there also is a substantial slowdown in government spending. This Mr. Johnson promises and Congress talks about—but there is little sign of real cutting.

Walker Winter, the spokesman for the Chamber of Commerce, asked the billion-dollar question:

"Can the country ever hope to live within its revenues?"

The answer is yes—Whenever the President and Congress decide to do it. And that time will come when the NAM, the Chamber of Commerce and everybody else decide rampant government spending has become too expensive (in taxes and inflation) and insist on the President and Congress returning to at least a semblance of fiscal sanity.

[From the Atlanta (Ga.) Constitution, Aug. 17, 1967]

SURCHARGE WOULD COST LESS

Congressmen of both parties are digging in their heels against efforts by President Johnson to put through a 10 per cent surcharge on income taxes, but so far the only suggested alternatives to it have been very vague demands to "cut federal spending."

Not many congressmen are helpful in suggesting just where spending should be cut, although there is fairly general agreement that it should not be in defense spending.

But when we get into the nondefense sector of our current $135 billion budget, we are talking about less than half of the total, or about $61 billion. Of this $61 billion, about $50 billion is pretty well locked in for payments such as veterans' pensions and farm subsidies, payments under contracts let in previous years, and federal payrolls.

So we're left with about $11 billion to whittle away at. Congress might attempt to cut some of the pork from this barrel of money but, judging from past performances, most of the pork will stay in.

This country is faced with a budget deficit of $29 billion which most economists say would be unmanageable, especially in an economy such as ours which is under tremendous inflationary pressures.

In a falling economy, such a deficit might be manageable because demands for credit would be relatively light. But if the federal government were to go into the money market to borrow $29 billion when the demand for private borrowing was also on the upswing, interest rates would tend to go out of sight. This would have a devastating effect on our economy.

What the Administration hopes to do, through the 10 per cent tax surcharge and carving about $2 billion out of current programs, is reduce this deficit to about $14 billion. Such a deficit, Administration economists say, would be "manageable" and would not court runaway inflation.

When we get down from the giddy heights of $135 billion budgets and $29 and $14 billion deficits, the cost of the surcharge to the average taxpayer is much easier to understand. It would cost between a few cents and $9 a month and still would not make his tax bill as high as it was three years ago when federal taxes were cut.

This certainly is not too high a price for anyone to pay to meet our commitments at home and abroad and to protect our economy from runaway inflation which would cost much more.

[From the Charleston (W. Va.) Gazette, Aug. 5, 1967]

DESPITE AGONIES, TAX HIKE IS PATH UNITED STATES MUST FOLLOW

When President Johnson finally dropped his tax-boost shoe on Congress Thursday, it set off a round of resigned rumbling.

But few reasonable Americans can argue with its purpose. The largest peacetime federal budget in history—now up $8.5 billion above the $135 billion budgeted for fiscal 1967—is cause enough for alarm.

There appears little likelihood that Johnson will get as much as he asks for as soon as he wants it. A reluctant Congress likely will not go for the full 10 per cent surtax on individual and corporate income and almost certainly will delay the start of any new taxation until Jan. 1 of 1968.

That, as few need be reminded, is a presidential election year. Ever since the January forecasts of a record federal budget and the later warnings of a needed tax boost, Republicans have been opting for reduction in domestic spending. But with racial unrest flaring in numerous cities, it is virtually assured that more federal efforts to solve some of the problems of urban ghettos will be necessary.

This places Republican and Democrat fiscal conservatives in Congress squarely over a pork-barrel. If they support the Vietnam buildup and an intensified war on urban poverty, other federal programs such as Appalachian economic development will suffer. In an election year, those facing reelection may have to explain to voters not only higher taxes but reduced benefits.

Johnson termed the requested tax boosts "vitally necessary." This cannot be disputed in the light of economic forecasts of a business boomlet and a public spending surge in the last half of this year.

The President must be applauded for his forthright action—however belated—in the clear face of inflationary dangers. As a man well-schooled in congressional battles, he is bound to be aware of the political agonies it will cause many of his old friends.

What he has bluntly told the American people and Congress is: there is no such thing as a free lunch—or a cutrate war.

But other adverse developments outside of government complicate the situation. The escalating Vietnam war and other defense spending will cost almost $80 billion this year. Another $2.5 billion is needed for new civilian outlays.

At the present government spending pace, the U.S. budget deficit for this fiscal year could rise to an astronomical $29 billion.

In the private sector, increased wage and price gains are reflected in the climbing cost of living, up 0.3 per cent in June for the fourth consecutive month.

It all adds up to a further weakening of the dollar value and the very real prospect of runaway inflation. Already some economists are saying that Johnson's proposed 10 per cent tax increase is "too little and too late."

Taking private income out of the spending stream is only a partial solution to the overall economic problem. If Congress enacts the President's surtax proposal in the form he outlined it Thursday, this would sop up $7.4 billion in available private spending. Next fiscal year the tax boosts would take in $12.3 billion.

If these tax bites fail to check the inflationary spiral, the unpalatable alternatives must be tighter credit restraints—which plunged the housing industry into a recession last year—or wage-price controls, an unheard of peacetime policy.

Aside from the raw economic implications inherent in President Johnson's special message to Congress, there are political and social ramifications.

[From the Chattanooga (Tenn.) Times, Aug. 5, 1967]

A NECESSITY, UNFORTUNATELY

It is not comforting in the face of increased local and state taxes to contemplate the 10 per cent surcharge proposed Thursday by President Johnson on individual and corporate income taxes. Comfort is not a consideration here, however; necessity is.

Mr. Johnson made it very clear that his proposal—up four per cent from the earlier surcharge recommendation—is necessary to counteract "a clear and present danger to America's security and economic health."

The danger the President spoke of is a budget deficit that could reach $23.6 billion or more if we continue present commitments without a tax increase.

Families whose earnings are $5,000 or less should be exempt from the surcharge, the President proposed, and we hope Congress agrees.

The new tax recommendations go beyond the sphere of personal and corporate income, including proposals to postpone the effective dates of reduction and eventual elimination of certain excise taxes.

There will undoubtedly ensue now arguments about priorities, and an either-or approach to international and domestic needs and challenges. Priorities must be set, but the either-or approach should be discarded in the consideration of urgent national commitments—i. e., the war in Vietnam and the

war on poverty. Our resources are not unlimited, but they are vast enough to argue against any reductions in critical domestic spending to finance the war effort, or vice versa.

[From the Sun-Times, Aug. 16, 1967]

TAXES: LESSER OF TWO EVILS

Hardly anyone in banking, industrial or government circles doubts the inevitability or the economic wisdom of a temporary increase in corporate and individual income taxes as requested of Congress by President Johnson.

One such doubter seems to be Rep. Wilbur D. Mills (D–Ark.), the powerful chairman of the House Ways and Means Committee which began hearings on the President's request Monday. But even Mills acknowledges the dangers of a deep budget deficit that would bring inflationary higher prices and still higher interest rates. These could lead him to "the conclusion that something should be done."

The "something that should be done" may turn out to be congressional approval of a surtax on business and individual incomes but not as high as the 10 per cent Mr. Johnson asked for. Before agreeing to any tax increase, Chairman Mills wanted assurances on two questions.

Would the increase be truly only temporary, ending when the Vietnam war is over? Can the economy, which has been slowing down, take a tax increase?

The administration, naturally, says that when the present war crisis is over the special tax can be ended. No one can truly predict the future but past performances do show taxes can be lowered.

Although the average person may feel that federal income taxes keep going up and up, they have fluctuated over the years. An individual's taxes go up mostly because his salary goes up. A Brookings Institution study by Joseph A. Pechman shows these changes in personal income tax rate for selected years:

[In percent]

Year:	Lowest bracket	Highest bracket
1913	1	7
1918	6	77
1929	⅜	25
1933	4	63
1945	23	94
1967	14	70

To the second question, can the economy take a tax increase, Chairman Gardner Ackley of the President's Council of Economic Advisers replied that the softness in the economy during the first half of the year is abating and the outlook is for a "buoyant economy." Other observers of the economic scene may not be as optimistic as Ackley but pessimism seems to be lifting.

The First National City Bank of New York says, "in general there is a pervasive feeling that, although there may be bumps ahead, economic activity is on the upgrade once more." Across the country, in Los Angeles, the Bank of America says, "We believe the economy can successfully weather the current burden of tax increases on a temporary basis."

Without a tax increase the federal government is headed toward a $29 billion budget deficit. Even with the tax increase and a $2 billion cut in expenses the administration has pledged, the deficit still will be close to $20 billion—the highest since 1946. (The government went over $200 billion in the red in World War II.)

When the government spends more than it takes in, it must borrow. This sends interest rates up. Prices go up. People on fixed incomes suffer the most.

In the long run it is far better for the average citizen to pay slightly higher taxes than to suffer even greater losses in purchasing power through inflation. The family of four earning $10,000 would pay $111 a year more in income tax under Mr. Johnson's proposal.

In the past two years, the cost of living index has gone up 6 per cent. That means the $10,000 family has suffered a loss in purchasing power of $600 due to inflation. It's painful to be caught between inflation and rising taxes but if higher taxes can help stem the spiralling inflation they will be the lesser of the two evils.

[From the Commercial Appeal, Memphis, Tenn., Aug. 19, 1967]

CONGRESS DALLIES ON TAXES

The Senate is showing concern over Administration foreign policy commitments which ignore the Senate's right to advise and consent on foreign affairs.

But this is not the only area in which Congress is in danger of losing its proper function.

The House Ways and Means Committee, charged with initiating all revenue measures, is holding long, complicated hearings on the Administration proposal for a 10 per cent surtax on the present income taxes of individuals and corporations.

Hearings are proper. But there are indications that hearings and floor debates may postpone tax action until late this year, or perhaps let it carry over into next year.

The hearings have become involved in many side issues and seem to miss the main point. That is that the nation already has over-spent and higher taxes are needed now—indeed, are long overdue—to settle the accounts and prevent heavy Government borrowings at very increasing rates of interest.

Businessmen facing a similar problem can sit down, study the matter for a few days and come to a decision which relatively is as large for them as is the tax measure for Congress.

But some members of Congress don't like to pass tax increases without a hard fight. They want to go back to the voters able to prove that they oattled to keep taxes low.

They should keep in mind that there is a proposal now circulating which would permit the President to raise or lower Federal taxes within certain limits at his discretion. That movement is gaining support from failures of Congress to recognize and act promptly on evidence of changing economic conditions.

Given much more politicking on tax measures, the voters may come to believe that it would be better for the President to have such powers over taxes. If that day comes, Congress will have lost even more of its constitutional authority.

[From the Detroit News, Aug. 7, 1967]

L. B. J.'S TAX PROGRAM—IT'S NECESSARY, BUT—

Higher federal income taxes, postponed excise tax cuts and faster corporate tax collections are the proper policies to offset a soaring government deficit. But we question some of the supporting arguments and excuses in President Johnson's special tax message to Congress.

The message implies the multi-billion dollar errors of the administration's original January budget are the unhappy result of unforeseeable circumstances. Hardly. When the budget was published many experts recognized an unmistakable decision to use revenue and expenditure estimates most favorable to the administration. The original budget deficit of some $8 billion was as much wishful thinking then as it is so obviously now.

The special message tells the public and Congress to tighten their belts for both higher taxes and lower expenditures to reduce a potential $24 billion deficit to "manageable proportions." And what will the new manageable deficit be? According to the President, a range of $15 billion to $18 billion.

In January, all this nation could afford in the way of a deficit was $8 billion; now we are asked to believe it can rise to more than $15 billion without reviving the threat of higher interest rates, rising prices and a host of other economic disturbances. White House economists must be alchemists! Or is the public just so gullible?

The special tax message rings with a call for sacrifice, both for Vietnam and the social battle at home. Yet, Johnson the politician can't seem to let Johnson the national leader have the floor to himself. The nation is also told the new tax burden is a small inconvenience, amounting to a few cents to $9 a month for most families. Judging from the deficit that remains, the President's definition of sacrifice includes a low threshold of pain.

Finally, the message is loaded with propaganda for the wisdom of President Johnson's January recommendations: He had wanted a tax increase in July; Congress is spending more for some things than he recommended; Congress wouldn't let him cheat a little by issuing more participation certificates.

What the President chooses to ignore is that he made no tax proposal to Congress until August; that he doesn't have to spend all the money allotted by Congress and that participation certificates are just a fancy name for spending which doesn't show up in the budget.

The bare bones of President Johnson's tax program must be accepted as necessary for the economic welfare of the country. Whether the proposal will be sufficient, or whether Congress will act favorably and in time, are questions which must still be answered. But we do wish the White House would stop trying to make the bones of its policies more palatable by cluttering them up with watery gravy and parsley. It doesn't help a bit.

[From the East Oregonian, Aug. 8, 1967]

IT WILL BE APPROVED

The Congress will agonize but in the end it will approve the President's request for a 10 per cent surtax on individual and corporate income taxes.

Republicans will try to hurt the President politically and both Republicans and Democrats who must stand for reelection next year will work hard at trying to set themselves right with the voters.

But in the end the surtax will be approved. It must be. As the leader of the Republicans in the Senate, Everett Dirksen, said, a federal deficit of some $30 billions cannot be permitted. Neither can inflationary forces, already at work, be permitted to gain more ground.

Hardly had the President sent his message to the Congress when the political warfare started. Some of the early statements would have been better left unsaid.

Sen. Vance Hartke of Indiana said he wasn't going to swallow the President's line that Americans must make some sacrifices. Perhaps he isn't going to swallow it but the President was right in saying it. With men dying in Vietnam most Americans have been untouched by the war. They have had life as usual. The President should not apologize for asking them to pay for the escalating cost of the war.

Most citizens aren't going to be hit very hard by the surtax. A family that is paying $100 in federal income taxes will pay $10 more.

Before the politicians have finished their oratory on the subject the impact of the surtax will be made to seem much larger than that. That will be unfortunate but

we hardly can expect it to be otherwise. President Johnson will be running for reelection next year and so will many of them. The surtax will be thoroughly debated. After all of the oratory it will be approved.

[From the Hartford Courant, Aug. 4, 1967]

THE 10 PERCENT SURTAX? GRIN AND BEAR IT

Today, loud cries of "Ouch!" will surely be heard around the nation. President Johnson had long been expected to ask Congress to adopt a 6 per cent surcharge on individual and corporate income taxes. Waiting for him to do so, where the average citizen was concerned, was like waiting for the man upstairs to drop the other shoe. Well, now he's dropped it, and the sound of it carries extra shock. Instead of asking for 6 per cent, the President is calling for 10.

Yet, when one looks the situation squarely in the face, the only answer can be to grin and bear it. The extra money is needed, as the President says, to give American fighting men the weapons, equipment and help they require; to hold the budget deficit within limits; and to continue the vital programs needed for education, health, urban and other projects aimed at making this a great country—and particularly right now, a just and wise one.

There is hardly any need to rehearse the statstics contained in the President's message. What they mean is that expenditures, largely arising from the war in Vietnam, are up, and revenues are down, in each case beyond budgetary expectation. One just cannot go on raising the debt ceiling, nor permitting an increasing deficit which would result in further spiraling inflation, higher interest rates and tighter money, any and all of which will put the country and the people in a greater economic bind.

Much of the money will go—or at least is intended to go—to fight domestic ills. And no one can say that we don't need to provide a better and more equitable life for millions of Americans. But beyond this we are committed to a struggle to bring freedom and liberty to other corners of the world. The war in Vietnam is bitter, and everyone will be glad to see it over with. But there is no sign at all that the other side is ready to stop fighting and begin reasoning. We shall have to slug on—and this too must be paid for out of the surtax for which the President asks, not only to help our men overseas now, but the extra forces the President says are needed.

So, though the tap on the pocketbook be more than expected, it is an inconvenience small in comparison to what is borne by Americans putting their lives on the line in Vietnam, This should help most of us to omit the "Ouch!" altogether.

[From the Houston Post, Aug. 21, 1967]

DOLLAR DRAIN CONTINUES

The dollar drain from this country continues, and, says Secretary of the Treasury Henry H. Fowler, one of the country's most practical tools to helping it would be a tax increase.

This is the picture that Secretary Fowler paints:

The gold flow from the United States topped $1 billion during the first half of the year, the highest figure for a six-month period in more than two years. The deficit in the United States balance of payments averaged about $1.35 billion in both 1965 and 1966. It is too early to predict what will happen during the rest of the year. Nevertheless, all indications now seem to point to a high deficit, perhaps $2.1 billion, with the Vietnamese war alone adding more than $1 billion to it.

Fowler predicts that congressional passage of the administration's 10 per cent tax surcharge would provide "significant reinforcement" to the fight to cut the balance deficit. Fowler believes that without a tax increase inflationary pressures will be increased. With the increase, he said, imports could be kept within bounds and exports competitive with other nations.

Confidence in the dollar remains high, said Fowler. He based his statement by a recent lack of foreign gold purchases. Second quarter payments figures also reflect an increase of about $300 million in United States bank deposits from abroad and foreign purchases of long-term certificates of deposit.

Fowler said the trade surplus rose from an annual rate of $2.9 billion at the end of last year to $4.5 billion during the second quarter of 1967. He said imports have increased substantially from 2.9 per cent of the gross national product between 1961 and 1964 to 3.1 per cent in 1965 and 3.4 per cent in 1966.

He warned that efforts to increase exports will not be successful "unless we succeed in maintaining price and cost stability and avoid excessive demand."

Only the reckless or the political haymakers now doubt the need for some kind of tax increase. Its need is great. Its effects, as indicated in Secretary Fowler's statement, will penetrate deeply into our economy and the economies of other nations.

Although discussions of the balance of payments always manage to seem esoteric and vaguely detached, it affects each of us deeply, even though few of us sit up nights wondering where the country's gold is going.

[From the Minneapolis Star, Aug. 7, 1967]

TAX BOOST BETTER THAN INFLATION

The negative response of many congressmen and business leaders to President Johnson's tax boost proposal is disappointing. They argue that the economy isn't robust enough to stand the 10 per cent surcharge and that domestic spending should be cut to reduce the impending deficit of $30 billion.

Congress hasn't done much about reducing spending so far. Both the executive and the legislative branches should trim any fat out of appropriations bills. But both know that Vietnam costs are bound to keep rising under the present mood of the belligerents and both should know that some expensive programs connected with unrest in the cities need more funds.

It is true that the economy slowed down a bit in the first half of 1967. Present signs are for an upturn in the second half. But the pace of wage and price inflation indicates that some of the pressure of spending should be removed. A tax hike would do that. Even so, the deficit still would be about $23 billion, Mr. Johnson said. That's inflationary enough.

Not only should Congress vote the 10 per cent surtax the President asks—labor and business should take a more responsible course with price increases and wage demands. For those boosts keep the spiral moving, everybody's costs go up, and few benefit in the end.

There is one more important move for the administration to make. That is a re-examination of the Vietnam commitment with a view to reducing costs by an end to bombing of the North and by "de-escalating" the overblown U.S. civilian establishment there.

[From the San Francisco Examiner, Aug. 9, 1967]

THE STRONG CASE FOR A TAX HIKE

Only three years ago President Johnson asked Congress for a tax cut which lopped $23 billion from government revenue. Now, because of the mounting costs of our guns and butter economy, he has asked for restoration of approximately $7.5 billion of that revenue.

The President's request for a boost in both personal and corporate income taxes represented a simple facing of undeniable facts. Expenses of the Vietnam war, the unexpectedly large federal budget deficit and the danger of spiraling inflation made his action as inevitable as it was proper.

It was inevitable because federal income and the nation's economy absolutely must be kept in a healthy balance. It was proper because the day-to-day costs of government operations morally should be paid for by today's taxpayers rather than passed on to their descendants. Especially when business is good and personal income never has been higher.

A primary duty of Congress in the weeks ahead will be to determine whether the 10 percent surcharges requested by the President are needed. It is possible that smaller surcharges would suffice if all unnecessary government expenses were cut to the bone, and we hope this can be done.

But determining what is a necessary expense and what is not in these days of crisis on many fronts will require the most careful and responsible deliberation of which our lawmakers are capable. It is not a situation in which the old game of politics as usual can safely be played.

[From the Springfield (Mass.) Daily News, Aug. 22, 1967]

TAX INCREASE DEBATE

The debate on the President's proposed 10 per cent tax increase is continuing in House Ways and Means Committee hearings this week.

Few are arguing against the necessity for an increase to offset the expected $20–25 billion deficit for fiscal 1968. Many, however, are skeptical of the need for a tax surcharge as high as 10 per cent.

There are of course many ways to alleviate the budget deficit. The principal one is to eliminate "nonessential" expenditures. The President has, in fact, stated his intention to cut some nondefense spending to help keep the deficit down. Republicans on Capitol Hill argue that the need for a tax increase could have been avoided by more extensive cutting of nondefense expenditures.

The President's economic advisers and the President himself have several times stated their belief that the economy is on the verge of an upsurge and that a deficit in the area of $20–25 billion would result in rapidly rising demand and an "overheated" economy sometime during the last quarter of this year and the second quarter of next.

Advocates of the "new economics" led by Sen. William Proxmire, D–Wis., feel that such a large surtax will preclude the economic resurgence expected by most later this year. The new economics argument says that a large deficit is beneficial for the economy at this time because it needs continued stimulation to insure an upsurge later in the year.

Probably the President and his advisers are right in their forecast of an overheated economy if the deficit is allowed to climb over $20 billion. The greatest influence on the economy during the past three years has been the Vietnam war, and it shows no signs of decreasing its stimulant effects on spending.

Furthermore, vastly increased expenditures to cope with the urban problems that confront the nation will be called for sometime in the early part of next year; and at the very least, not to maintain the programs already enacted would be politically foolhardy, as well as politically immoral.

There may be some cogency in the arguments of those who say that a smaller surcharge—say, from 6 to 8 per cent—would be more in keeping with the present state of the economy. But with the Vietnam war, the need for expenditures to help the nation's cities and the prospect of a business upsurge all putting inflationary pressures on the economy, a tax rise seems the best way of maintaining the nation's economic health.

NEW PROOF SETS FOR THE COIN COLLECTOR

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, the coin collectors of the Nation have something to be happy about again, for the Bureau of the Mint has announced resumption of proof coin set production of 1968 coins. The sets will be manufactured at the U.S. Assay Office in San Francisco, with each proof coin bearing an "S" mint mark on its face. This will be the first time that a U.S. coin will show an "S" mint mark since the San Francisco Mint ceased coin production in 1955.

The manufacture of U.S. proof sets was cut off in 1964, with the mint's announcement on January 10, 1964, that no further orders would be accepted, due to the coin shortage. That spring the Legal and Monetary Affairs Subcommittee of the Committee on Government Operations, of which I am chairman, instituted a study to determine the causes of the coin shortage, and how the Government could remedy the shortage and improve its processes to make certain that the Nation never again would encounter a situation where its businessmen had too few coins to conduct their normal commercial affairs.

One of the first measures taken to overcome the drastic shortage was to terminate proof coin production, so that the mint could use the facilities that had been devoted to proof coins in increasing its production of ordinary coin. Coin collectors were direct casualties of the war on the coin shortage.

Because of the genuine concern the members of the Legal and Monetary Affairs Subcommittee had for coin collectors, in our first report on the coin shortage we recommended that the mint promptly resume its proof set and mint set operations when their suspension was no longer required by the shortage.

That recommendation was made in House Report No. 194, 89th Congress, first session. Other reports issued were House Report No. 195 in that session, and House Report No. 1468 in the second session of the 89th Congress. Happily, the Director of the mint, Eva Adams, shared that concern, and as soon as possible took steps to aid coin collectors.

On March 8, 1966, the mint announced it would receive mail orders for what it called special mint sets, to be made at the U.S. Assay Office in San Francisco, bearing 1965 dates, with no mint marks. The mint had previously discontinued accepting mail orders for uncirculated coin sets, on May 7, 1964. The mint has also provided special mint sets for coin collectors, dated 1966 and 1967.

The mint, I believe, has done well by the collector despite the fact it had to cope with a severe coin shortage. It furnished a continuous series of special sets during the entire shortage period, so that collectors were provided with sets bearing dates of each year. This is a tribute to the production capability of the mint, as well as its continuing interest in catering to the needs of the collector. And now it is resuming proof sets. I believe it is to be commended for its efforts to aid the coin collector to pursue his hobby.

NEW INTERNATIONAL MONETARY ASSET EXPLAINED

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, there have been many articles written on the recent action by the finance ministers of the group of 10 nations in moving to create a new international monetary asset to supplement gold, the dollar, and sterling reserves for settling international accounts. Most of those that I have seen have discussed in detail the needs for international monetary reform and the plan that is now up for consideration by the International Monetary Fund. The discussions, however, have been quite complex, because the matters they deal with are far from simple.

One article that has come to my attention, however, presents the whole issue so succintly and yet with such clarity and simplicity that I believe every Member will profit from reading it. That article appeared on the editorial pages of the Miami Herald for August 29, 1967, and reads as follows:

A CURRENCY TO HELP THE TRADING NATIONS

World commerce and international finance often have been twin jungles in which the weak and unwary could be trapped and destroyed. Out of them emerged the terrifying Great Depression of a generation ago.

A little civilizing long has been in order. So, after six years striving for it, 10 world powers reached agreement last weekend on world monetary reform that will make life safer for the trading nation.

Under a draft "treaty" to go before the 106-nation International Monetary Fund in Rio de Janeiro next month, nations would have greater leeway in borrowing existing currencies from the IMF and would have "special drawing rights" to be used in settling accounts.

In effect, the "rights" are a new form of currency. They have been called "paper gold," but they are not quite that. The arrangement involves liberal credit in paying international balances but strict accountability within the IMF structure.

"The fundamental aim of the plan is to avoid trade-stifling policies by countries that are short of current international reserves, chiefly gold, dollars and existing automatic rights to borrow currencies from the IMF," explains The Wall Street Journal. "The reserves are used to tide countries over the balance-of-payment deficits, which occur when more money leaves a country than returns."

Dull stuff, maybe. But it touches every one of us in its promise to regularize international trade and spare nations drastic economic measures.

The other day, for instance, we discussed the fear that Britain might have to devalue the pound sterling. If this works, devaluation won't be necessary; nor will tight credit, higher taxes and other devices to curb the outflow of one's currency.

The details of the plan are less exciting than the fact that such a plan now exists. It took some figurative head-knocking, for both Britain and the Common Market countries (including France) were involved in the dickering.

Our own balance of payments, slightly improved by news on the same day that the trade surplus is running ahead of 1966, may at length require fewer restrictive measures if the reforms under the International Monetary Fund work as designed. We hope so. Public confidence in the economy would then enjoy a sudden shot of what is good for it.

ROBERT KING HIGH: A PUBLIC MAN

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, in the CONGRESSIONAL RECORD of August 31, 1967, on page 24915 I had the sad duty of advising my colleagues of the untimely death of the mayor of Miami, Robert King High.

In the days that followed, the harsh realization of his loss became apparent. But also eloquently evidenced were the many tributes to Robert King High, who was truly, "a public man."

The following comments amply demonstrate the esteem and the thanks of a grateful and sorrowful citizenry:

[From the Miami (Fla.) Herald, Aug. 31, 1967]

HE SERVED MIAMI WELL

Robert King High, as he once said of himself, was "a public man." He lived in the limelight, among people, listening to their problems and trying to help them as much as he could.

In Miami, he was His Honor, the Mayor, and in a surprisingly large number of Latin American cities he was known as El Alcalde, and was recognized as he walked along the streets as he liked to do.

Robert King High had large aspirations and many disappointments but he served Miami well. His untimely death was a shock to all who knew him, and the number is large. His passing leaves a gap in leadership in Miami, which needs leadership so badly.

[From the Miami (Fla.) News, Aug. 31, 1967]

MIAMI'S MAYOR: ROBERT KING HIGH, 1924–67

As we mulled over the all too short career of Mayor Robert King High, the word that kept popping into our thoughts were "incorruptible."

We know a lot of people who questioned Mr. High's judgment from time to time, but we know of no one who ever questioned his integrity.

That is saying quite a bit for a man who was elected mayor of the state's largest city five times, and who twice ran for governor.

It may be the finest tribute that can be paid to a politician, which is what Mayor High was, in the largest sense of the word.

But Mr. High had much to recommend him besides his incorruptibility. It is true, as his political opponents took pains to point

out, that the post of mayor under the City Charter is largely ceremonial. And Mr. High was a fine and tireless ceremonial mayor.

SERIOUS WORK OVERSHADOWED

It is unfortunate, however, that his countless appearances as a greeter and ribbon cutter tended to overshadow his more serious work as the leading policy maker of the city government during 10 busy and troubled years.

Long before the thought occurred to many other politicians, especially in the South, Mayor High foresaw the need to ameliorate racial differences in the city, and he risked his political neck doing it. Step by step, the barriers to integration were lowered in Miami. Mayor High had more to do with these developments than many people know.

The thousands of Cuban refugees who poured into our city had no votes, yet Mayor High realized they must be accepted in the name of simple humanity, and he did much to present Miami to the rest of the country as a generous city, one willing to fulfill a responsibility that belonged to the entire nation.

HIS ASSISTANCE TO INTERAMA

He took the larger view in most matters. When the long dream of Interama seemed to become attainable, it was Mayor High who helped the project along by making it possible for the city to turn over valuable land to the authority.

He was a great friend of Latin America and its citizens, and more than once he turned down offers of ambassadorships to Latin countries. At one time, when the city was in a crisis with the refugees, he told President Kennedy he believed he was needed more in Miami than in Guatemala.

He was a colorful mayor. We recall fondly his periodic crusades against bolita and the strip joints and his jousts with the Police Department. These flourishes generated headlines, as the mayor surely knew, but they also helped make Miami a cleaner and better city for the mayor's children and for ours.

When he decided to run for governor he ran in a rather novel way, deciding to turn down the large gifts that normally find their way to nominees for this important office.

He told a friend that large gifts put handcuffs on a man before he ever became governor. He said he would rather not be governor than go in with handcuffs. In the same vein, it can be said that he did not use his office as mayor to enhance his law practice.

In his campaign for governor, as in his career as mayor, he was forever the enemy of small but powerful interests who resist reform and modernization with all the resources at their disposal. It is a political cliche to say that he was the friend of the little fellow, but no cliche was ever truer.

HIS EFFECTIVE LEADERSHIP

Mayor High did more to stabilize the city's government and to improve its efficiency than he got credit for. During his 10 years in office, he benefited from his association with some fine fellow commissioners. During most of the time, the city administration has been in the capable hands of Manager Melvin Reese.

Seldom was there any question, however, that the leadership for city programs, ranging from sewers to playgrounds through housing and redevelopment, sprang from Mayor High.

Progressive on social issues and visionary in his plans for the future, he was at the same time cannily conservative in fiscal affairs. For better than two thirds of his tenure City Hall was able to increase services while reducing or holding the line on taxes.

It should go without saying that Miami, the city, will miss Mayor High sorely. Thousands will miss him as a friend.

We grieve especially for his fine wife and six young children. His death came tragically soon.

[From the South Dade (Fla.) News Leader, Aug. 31, 1967]

MAYOR HIGH'S DEATH SADDENS THOUSANDS

Robert King High, the "Tennessee poor boy" who rose to become mayor of Miami and who came within grasp of the governor's mansion in Tallahassee, is dead.

Except for a stunning Republican upset, he would have been chief executive of Florida at the time of his death Wednesday in Miami at the age of 43.

The "little man" from Flat Creek left a big imprint on Miami. He rose from a struggling young lawyer to win a seat on the City Commission and was serving his fourth term as Mayor of the Magic City.

He fought successfully for lower utility rates and worked hard to redevelop downtown Miami. He was identified as a strong supporter of the "little people" and the underprivileged. He fought to improve their lot and met with a great deal of success.

Under his leadership Miami became one of the leading cities in the United States.

In politics, he overthrew, to some extent, his liberal image to become the Democratic Party's nominee for governor in 1966.

To do so he earned the name of giant-killer by defeating incumbent Gov. Haydon Burns in a gruelling primary race.

That epic struggle plus his battle to fight off a strong Republican trend at the polls in November no doubt hastened his early death.

Mayor High's supporters and friends numbered in the thousands and despite his defeat in November they envisioned a still bright political future for him.

The death of the peppery, little redhead from Tennessee at such an early age is saddening to Miamians, Dade Countians and Floridians whatever their political inclinations.

[From the Key West (Fla.) Citizen, Aug. 31, 1967]

INTEGRITY IN GOVERNMENT: HIGH LIVED HIS CONVICTIONS

Robert King High, 43, was more than mayor of Miami—he was a friend of Key West and a leader to tens of thousands of Floridians who lived beyond the boundaries of Miami. High literally died for these people. He drove himself on their behalf right up to his last day. He maintained a pace that would have been difficult for a healthy man, much less one with a previous history of coronary trouble.

Governor Claude Kirk, on learning of High's death, praised his former opponent for being a hard fighter . . . a man with the courage of his convictions . . . a government leader who believed in the philosophy that elected officials should be public servants. These words of praise from a man who was Robert King High's most bitter opponent leave little for High's friends to add.

Robert King High was a familiar visitor to Key West and the Florida Keys during the past two gubernatorial elections. One of his slogans was that he wanted to be a "representative of the little people." Thousands of Monroe Countians who met High will testify that this was more than a slogan—it was a way of life for Robert King High.

High leaves his wife and six children. The Citizen expresses its deepest sympathy for this grieving family. When time has eased the immediate shock of death, we're sure that his wife and children will take great pride in the fact that Robert King High lived his convictions up to his last day in office. He was a "public servant" and "integrity came first" in all his affairs. He placed the welfare of all Floridians above the prudent safety of his own health.

Florida will miss Robert King High.

[From the Miami (Fla.) Times, Sept. 1, 1967]

NEGRO COMMUNITY MOURNS DEATH OF MAYOR BOB HIGH

A general sadness enveloped the Negro community on Wednesday afternoon when word came of the death of Miami Mayor Robert King High.

The diminutive 43-year-old mayor has always been a strong favorite with Miami Negroes because of his strong liberal approach and unrelenting fight for the little man.

High was admitted to Doctor's Hospital in Coral Gables at 4 a.m. Wednesday after complaining of stomach pains and vomiting. Death came at 2:35 p.m. with his wife, Faith at his bedside. The couple, married 13 years, had six children.

Mayor High reached the height of his popularity in February, 1966 when he engineered the move for the city commission to appoint Mrs. Athalie Range to fill the unexpired term of Commissioner Sidney Aronovitz who had resigned from the commission for business reasons.

Mrs. Range had lost in her bid for a city commission seat by a mere 1460 votes in the November, 1965 election. She had led her opponent, Irwin Christie by 1,021 votes in the primary, but fell victim to the racial issue in the runoff.

High was a veteran campaigner and was elected five times as Mayor. Working on a "poor man's budget" High pulled off a big upset last spring by beating out Gov. Haydon Burns for the Democratic gubernatorial nomination. He suffered a bitter defeat to Gov. Claude Kirk in the general election, but took the loss like the champion he was.

High was a political protege of the Kennedys and was repeatedly attacked by his opponents as an arch liberal. A man of strong personal convictions, he never relented. In every one of his campaigns he polled almost the entire Negro vote.

High was a public man, champion of the man in the streets. He took on the biggest corporate entities in the state—The Florida East Coast Railway, the phosphate mining interests, public utilities. You name it. If Bob High thought he could get a better deal for the people, he woud fight unashamedly for it, asking no quarter, and giving none.

A great man has fallen. We shall miss him.

[From the Diario las Americas, Sept. 1, 1967]

ROBERT KING HIGH

As soon as the news was known in the afternoon of Wednesday, August 30th, of the sudden death of the renowned Miami Mayor, Honorable Robert King High, an extraordinary manifestation of mourning was felt not only in the City's metropolitan area, but also all over the State of Florida, to which the illustrious public man was especially bound. Furthermore, since his name and his merits had crossed the State's boundaries, in the whole United States, as well as in Latin American countries visited and loved by the Honorable King High, the news of his death was received with deep sorrow.

Robert King High, dead at the early age of forty-three, was an exceptional example of human qualities and of civic virtues. He was an excellent husband, father, friend, citizen and servant of the community. In his brilliant political career he always demonstrated firmness of democratic convictions, generosity of purposes regarding public life, humility before success and chivalry in defeat. For ten consecutive years he was Mayor of Miami and had an outstanding participation in the political life of the State of Florida, for the governorship of which he was the Democratic Party's losing candidate in the last elections. In all his campaigns, including the one that was adverse to him, he distinguished himself as a political leader of high civic quality. His name and his fundamentally positive work will always be remem-

bered in all this part of the United States with admiration and with respect.

All the Latin Americans of this city and of all the others that make up the metropolitan area, particularly the Cubans, have lost with the passing of the Honorable Robert King High, a noble friend who always opened the doors of his heart to the feelings and the needs of all. It can be said that the Latin American and the Cubans very especially, to whom he was particularly generous, considered him as a Mayor from their own ranks. To them he was a fellow countryman. That is why, this large percentage of the community—the Latin Americans—has joined in touching expression of sorrow to the mourning of the State of Florida at the death of one of its most enlighted representative values.

Diario Las Americas in commenting the death of the noted leader, Honorable Robert King High, joins the sorrow of the community, duly exalts the outstanding merits of the illustrious gentleman and public man, and expresses its sympathy to his small children Bobby, Holly, Cindy, Valerie, Bonni Lou and Susan, and particularly to his widow, who was the noble partner of his life, Mrs. Faith High, a woman of great spiritual sensibility who shared with him the home and his civic preoccupations, encouraging him with her human enthusiasm and her talent to fulfill his civic duties.

May in the peace of God rest the generous soul of the Honorable Robert King High.

[From the Jewish Floridian, Sept. 8, 1967]

MAYOR ROBERT KING HIGH

The outstanding characteristic of the career of Miami Mayor Robert King High was that he always sought to serve the little man and in doing so he often was faced with formidable odds in many ventures.

In his struggle to make Miami a better city, Mayor High sometimes tackled powerful interests which, in his view, stood in the way of local progress.

Mayor High also deserves a good deal of the credit for the relatively smooth manner in which Miami passed through an era of transition in the field of civil rights. It was in this area particularly that he was able to offer a happy blend of wisdom and common sense that paid dividends for Miamians of all races and creeds.

Last week, the Miami Jewish community along with all other Miamians were shocked at the sudden death of the dynamic young leader who had achieved a nationwide reputation during his decade in office.

His leadership will be missed and his contributions to a better Miami will not be forgotten.

[From the Times of the Americas, Sept. 6, 1967]

NAMES IN THE NEWS

Robert King High, Miami's spunky mayor, is dead of a heart attack. Mayor High spoke considerable Spanish, and had a keen interest in the entire hemisphere, and especially in Miami's refugee colony. He is one of the few Florida political figures who helped the state justify its title as the "Gateway to Latin America." Only two weeks ago he received considerable publicity after he challenged Castro to a debate. A Latinist at heart, High almost became Florida's governor last fall after he upset the incumbent in the primary, only to lose out to his Republican opponent in the November elections. "Bob" High will be remembered by Latins as a friend—a man who really cared.

[From the Miami (Fla.) News, Sept. 5, 1967]

WE'VE SUFFERED GREAT LOSS

CITY OF NORTH MIAMI, FLA.

To the EDITOR:

The untimely passing of Robert King High is indeed a loss to the Greater Miami community. As Mayor of the City of North Miami, it has been my privilege many times during the past two years to work closely with Bob High on projects which involved both of our cities. He was a man of rare integrity, dedication and true desire to perform public service.

On a more personal basis, Bob High was not only an outstanding Mayor, but an unusually fine person. His friendship was something I greatly valued and will sorely miss. I can only hope that his wife, Faith, and their fine children will take solace in the knowledge that he was greatly loved and highly respected by the community which he so dedicatedly served.

SHERMAN S. WINN, *Mayor*.

NORTH MIAMI BEACH, FLA.

To the EDITOR:

We lost two of our bravest and most beloved men—in the prime of life: Robert King High and John F. Kennedy. We needed them both, but God needed them more.

JULES GLICKMAN.

GREATER MIAMI JEWISH FEDERATION.

To the EDITOR:

The Greater Miami Jewish community joins all Miamians in mourning the passing of our beloved Mayor Robert King High. His untimely death is a grave loss to the city which he loved so much and served so well.

ARTHUR ROSICHAN,
Director.

MIAMI, FLA.

To the EDITOR:

Bob High's death is very sad. It is hard to understand why he was taken in the very prime of his useful life. He had devoted 10 years—nearly one-fourth of his life—to useful and productive public service. He had a bright potential of many more years of the kind of service the public so sorely needs in these troubled, threatening times.

Florida is not likely to find in the forseeable future a public man who can carry the burden he laid down last Wednesday when his tired heart stopped beating.

Dade County's million-plus citizens are the beneficiaries of an extra-ordinary service he rendered. Almost alone, Bob High saved Greater Miami from racial convulsions such as have shattered many other American cities, including Tampa, Jacksonville, and Riviera Beach.

Almost from the day he took the oath of office as Mayor of Miami, Bob High started building bridges of good will, cooperation, and understanding between white and colored citizens. Although born in the rural South, of Confederate stock, he was wholly free of racial prejudice. Despite his background, he was completely "color" blind. All humanity was his constituency. He devoutly believed all human beings are children of the same Creator, and this belief guided and controlled his conduct, both public and private.

Bob High had the courage of a jungle lion. As a public man, he was almost recklessly courageous. I never considered myself timid, but I believe I would have backed away from some of the fights Bob High took on—and won.

Bob High was a religious man and he lived his religion every day of his life. It is comforting to believe he has finally found the rest and peace that he could never let himself take the time for in his life.

FULLER WARREN.

MIAMI, FLA.

To the EDITOR:

Those of us who knew Bob High deemed it a privilege—we who truly loved this man felt it an honor to be even an infinitesimal part of his life. His joys, disappointments, especially his heartbreak, were ours.

A handful of his campaign workers greeted him as he arrived for his first council meeting after the general election last November—he was surprised and pleased—then promptly told us he was sorry he lost the election. He felt the need to comfort us; this was the timber of this man.

IRENE YOUNG.

ROBERT KING HIGH: MIAMI'S LITTLE GIANT

(Broadcast over WTVJ, channel 4, Miami, Aug. 30, 1967)

Bob High came a long way for a small boy from a small town. He nearly made it from Flatcreek, Tennessee, to the Tallahassee, Florida, Governor's mansion.

Twice he tried only to have the governorship whisked from his hands because the timetable of political history worked against him.

His was the classic case of a man of small physical stature being afraid of no one and demonstrating this by taking on the big giants.

It was Bob High against the utility companies and their rate structures, it was Bob High against the railroad, it was Bob High doing what he thought was for the public interest. It was also Bob High for the underdog, for the senior citizens, for Cuban exiles displaced from their homeland, for improvements to his city which resident and tourist might enjoy and benefit from.

Such a person, particularly in political life, is bound to rile tempers, to make some enemies and to be the object of criticism. But this in no measure detracts from the motivation of the man—his sincerity or his ability.

Robert King High served Miami well as its Mayor.

He served with distinction, sensitivity and honesty. Now the timetable of life has taken him at the early age of 43.

To his wife, Faith, and five daughters and son we extend our sincere sympathy.

MAYOR HIGH: A POLITICIAN WITH HIGH PRINCIPLES

(Broadcast over WTVJ, channel 4, Miami, Aug. 31, 1967)

Bob High's death leaves a void in the ranks of Miami's public servants. With his passing comes the reflection that his type of political service was rather uncommon.

He tried to elevate the profession of politics to a level where to be an office holder was to achieve a noble goal. He tried to conduct his office in a manner which gained public respect along with admiration.

We would hope that other young men of this community and elsewhere would emulate what he called "a new mood."

Too many persons seek public office to merely satisfy their own egos and to use political office as a wedge to improve their business positions and profits. Because of the behavior of some office holders, the public tends to hold a politician with disdain.

America is more a nation of men than of laws. It is men who make the laws and administrate them. The survival of the country depends on getting good, able, honest, visionary men into government—on local city councils, in county commissions, in legislatures, the Governor's chair and the Congress and Presidency.

We would hope that as flags throughout Miami fly at half-mast tomorrow, this will signal in the minds of young men the fact that another politician is needed to fill the ranks now diminished by one and assuredly by others on the morrow or perhaps the day after.

John F. Kennedy's last official words were the conclusion of a speech he was to have delivered in Dallas. What he intended to say sets the high tone of public service needed today. Here are the final words:

"We ask, therefore, that we may be worthy

of our power and responsibility—that we may exercise our strength with wisdom and restraint—that we may achieve in our time and for all time the ancient vision of peace on earth, good will toward men. That must always be our goal and the righteousness of our cause must underlie our strength. For as was written long ago: 'Except the Lord keep the city, the watchman waketh but in vain.' "

A HUGE VOID

(By Bernard E. Neary, vice president and general manager, WGBS radio, Miami, Aug. 31, 1967)

Robert King High, Mayor of the City of Miami, died yesterday afternoon from a heart attack. He left behind a family, hundreds of thousands of friends, and a record of which he could be proud.

Robert King High often called himself a "Public Man". And he was just that.

He was a man who believed in what he did. He was a man who seldom ducked an issue or a threat. He was a man Miamians liked as their Mayor.

Robert King High set a high standard for himself and lived up to it.

He was willing to fight for that in which he believed and whether he won or lost he accepted the public decision and went back to work.

It is quite possible that it was his passion for activity that took him from us so suddenly.

Robert King High had suffered from heart trouble before. It was a heart attack that struck him down yesterday afternoon.

Yet until the end he refused to let up. He was not a man to sit quietly and watch life and life's problems pass him by.

For Miami and for Florida, Robert King High was a symbol of changing times.

Twice he demonstrated that the rural cracker-barrel politics of the last century could not and would not long survive.

Five times he demonstrated that clean honest politics were acceptable to the citizens of Miami.

Now this public man is gone and there is a huge void.

THE ECONOMIC MYTH OF "RIGHT-TO-WORK" LAWS

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, Sam B. Barton, professor of economics at North Texas University, Denton, Tex., has examined the statistics used by supporters of right-to-work legislation and finds fallacies both in the logic and in the figures. His report is contained in the current issue of the AFL-CIO official monthly magazine, the American Federationist.

This analysis deserves our careful study and I therefore include the article in the RECORD at this point:

THE ECONOMIC MYTH OF "RIGHT-TO-WORK" LAWS

(By Sam B. Barton)

During the recent controversy concerning repeal of Section 14(b) of the Taft-Hartley Act, proponents of "right-to-work" legislation gave wide circulation to statistics showing *rates* of economic growth in "right-to-work" states to be faster than in "other" states.[1]

As proof of the beneficial effect of such laws, these figures involve obvious fallacies both in logic and statistics and would mislead no statistically sophisticated person. Apparently, however, they were not directed to a statistically literate audience and (in view of congressional action) may have seemed convincing to many influential people. Inasmuch as belief in the economic benefits of "right-to-work" legislation may be a major basis for the popularity of such laws with legislators and others, an exploration of the issues raised seems worthwhile.

This paper will not discuss the general issues in the "right-to-work" controversy, which have been treated at length elsewhere, but will be limited to an examination of the validity of the statistics cited as proof of the alleged economic benefits flowing from laws banning union security. Before becoming involved in the detailed analysis of the figures under discussion, we may note the elementary statistical principle that similarity in the pattern of two variables (such as "right-to-work" laws and rates of growth) does not prove one variable *causes* the other. Both might result from some third influence or the similarity might be wholly accidental. In fact, the rapid rate of growth in "right-to-work" states might result because of, independent of, or in spite of, the "work" legislation.

The statistics offered by "work" advocates also violate an elementary principle of statistical tables in omitting the gross quantities from which the rates of increase are computed. The inclusion of these data weakens the propaganda value of the figures by showing that the faster rates of increase in the "work" states are based on much smaller numerical amounts and involve smaller numerical increases.

The data omitted in the statistics under discussion are supplied in Table I for five of the more significant indices cited by the National Right-to-Work Committee. Rates of increase taken alone, as the RTW committee presented them, seem to support its position, with the "work" states exceeding "other" states in each instance (see column 4). Examined in relationship with the omitted data (columns 1, 2, 3 of Table I), they convey a different picture. In each instance, the higher rates of increase for "work" states in column 4 are seen to be based on comparatively small gross values. Except for "number of production workers," the *numerical* increases of "work" states are small relative to "other" states (column 3). When these gross figures are related to population and workforce, the advantage remains with the "other" states. Thus when "value added by manufacture" is expressed in terms of per capita (column 5), rates of increase favor the "other" states rather than the "work" states.

These observations are not intended to imply that rate of increase figures are not legitimate and significant measures, but that the significance is not clear where they are published without the numerical figures on which the rates are based. The gross figures and additional indices shown in Table I do indicate that the more rapid rates of growth of the "work" states are based on much smaller base figures and that the smallness of the bases tend to inflate relatively small *volume* increases into relatively large *rate* increases.

TABLE I.—COMPARISON OF GROWTH RATES, RIGHT-TO-WORK VERSUS NON-RIGHT-TO-WORK STATES, 1947–63

[Greater percentage rise in right-to-work States rests on low base; full data show advantage of non-right-to-work States in per capita gains]

	1947	1963	Increase, 1947–63	Percent increase, 1947–63	Increase per capita
	(1)	(2)	(3)	(4)	(5)
Value added by manufacturing, (gross value, dollars in thousands):					
Right to work	$10,719,564	$35,378,000	$24,658,436	230.03	$460.66
Nonright to work	$63,607,194	$154,379,000	$90,771,806	142.71	$680.67
Capital expenditures, (dollars in thousands):					
Right to work	$1,231,005	$2,526,000	$1,294,995	105.20	$24.19
Nonright to work	$5,390,682	$8,533,000	$3,142,318	58.29	$23.56
Number of production workers (average for year):					
Right to work	2,010,000	2,742,000	732,000	36.42	----------
Nonright to work	9,896,000	9,547,000	−349,000	−3.58	----------
Population:					
Right to work	40,445,000	53,529,000	13,084,000	32.35	----------
Nonright to work	102,111,000	133,357,000	31,246,000	30.60	----------
Per capita income: [1]					
Right to work	$1,000	$1,961	$961	96.10	$947
Nonright to work	$1,441	$2,637	$1,196	83.00	$1,103

[1] Computed from aggregate personal income and population data from the 2 groups.

Let us now turn to an examination of comparative rates of increase in the two groups of states before and after 1947, the year of Section 14(b) and most "right-to-work" laws. This comparison (Table II) clearly shows that the more rapid rates of increase in "work" states preceded the enactment of "work" legislation. In fact, both groups experienced faster rates before 1947 than after. This, of course, reflects the economic stimulation of a depressed economy by the Second World War. Surely the supporters of "right-to-work" laws would not have us believe that such legislation accounts for rates of growth advantages that existed even before such laws were invented? One might argue with equal logic that "work" laws were responsible for the *decreased* rates in both groups *after* 1947.

If the long-term rates of increase advantage shown in Table II are really significant, one would expect the "work" states to show improvement in their relative standing in per capita income over the period. Yet the data presented in Table III indicate little improvement over a period covering more than three decades and no improvement of 1963 over 1947 in quartile standing of the RTW states. Individual rank comparisons shown below similarly fail to indicate any very impressive change in the income rank of "work" states after, as compared with before, 1947.

	1929–47	*1947–63*
Rank improved	8	9
Rank deteriorated	9	5
Rank unchanged	1	4

[1] *See "Economic Progress in Right to Work States." The National Right-to-Work Committee (May 1965); "America's Choice: Right to Work or Compulsory Unionism" (same source); "Report from Washington," Senator John Tower (R-Tex.), May 1965.*

TABLE II.—COMPARISON OF ECONOMIC GROWTH BEFORE AND AFTER RIGHT-TO-WORK LAWS

[Data show more rapid rates of increase in right-to-work States existed before 1947, when Taft-Hartley sec. 14(b) and most right-to-work laws were passed]

	1939	1947	1963	1939–47 percent increase	1947–63 percent increase
Value added by manufacturing (thousands):					
Right to work	$3,183,216	$10,719,564	$35,378,000	236.8	230.0
Nonright to work	$21,260,729	$63,607,194	$154,379,000	199.2	142.7
Average yearly increase:					
Right to work				29.6	14.9
Nonright to work				24.9	8.9
Capital expenditures (thousands):					
Right to work	$206,248	$1,231,005	$2,526,000	496.9	105.2
Nonright to work	$1,040,510	$5,390,682	$8,563,000	418.1	58.9
Average yearly increase:					
Right to work				62.1	6.6
Nonright to work				52.3	3.7
Number production workers (average for year):					
Right to work	1,328,703	2,009,938	2,742,000	51.3	36.4
Nonright to work	6,471,710	9,895,243	9,547,000	52.9	−3.5
Average yearly increase:					
Right to work				6.4	2.3
Nonright to work				6.6	−.2
Population (thousands):					
Right to work	37,261	40,445	54,435	8.6	32.4
Nonright to work	96,965	102,111	135,190	5.3	30.6
Average yearly increase:					
Right to work				1.1	1.9
Nonright to work				.7	1.8
Per capita income:[1]					
Right to work	$352	$1,000	$1,927	184.1	96.1
Nonright to work	$608	$1,441	$2,602	137.0	83.0
Average yearly increase:					
Right to work				23.0	6.0
Nonright to work				17.1	5.2

[1] Represents total personal income divided by total population for the given year.

Table III, however, does show that most of the "work" states are poor. Measured in terms of rank in per capita income over the period 1929 to 1963, only one state, Nevada, has ranked in the highest quarter. Only two have ranked in the second quarter in any one year. In 1929, 17 and in 1963, 15 of the 18 "work" states ranked below the national medium. Throughout the five periods shown, approximately half (8–9) of the "work" states ranked in the lowest quarter. The quartile standing of the "work" states was no better in 1963 than in 1947, when Taft-Hartley's 14(b) and most of the "right-to-work" laws were passed.

On the basis of the figures presented in Table III, we may conclude that the income standing of "work" states was about as unfavorable during the years following as in the years preceding passage of Taft-Hartley's 14 (b) and state "work" laws. There is little, if any, evidence to support the assumption that "work" legislation had any substantial effect on income standing. Those southern states which traditionally have used cheap labor, substandard protective legislation and similar devices most aggressively in bidding for industry show little or no improvement in income rank for the post-1947 period. Those southern states showing more favorable performance (like Virginia, Texas, Florida) represent special cases, in which factors other than "work" legislation would appear to be controlling. Thus Virginia has become a populous suburb of Washington, D.C., Texas has developed a great petro-chemical industry and Florida's sunny climate has attracted much population and wealth.

An examination of a map shows that the "right-to-work" states all lie outside the great "industrial heartland" of the United States north of the Ohio and east of the Mississippi. This suggests that our previous statistics may involve essentially regional comparisons between the industrially more mature northeastern states (none of which has RTW legislation) and the industrially young southern and western states (which include all of the "work" states). If the hypothesis that regional location is a major factor in the different rates of increase in the "work" and "other" states is correct, regional comparisons of the northeastern with southern and western states should yield comparative rates paralleling those between "other" and "work" states.

TABLE III.—NATIONAL RANKING OF 18 RIGHT-TO-WORK STATES IN PER CAPITA INCOME

	1929	1939	1947	1953	1963
Highest quarter	1	1	1	1	1
2d quarter	0	0	[1] 2	[1] 2	[1] 2
3d quarter	8	8	7	6	7
Lowest quarter	9	9	8	9	8

[1] 1947 North Dakota and Kansas; 1953 Kansas and Arizona; 1963 Nebraska and Iowa.

An examination of Table IV indicates an amazing parallelism in the comparative relationship between these two sets of data, both in the northern-eastern region and the "other" states showing consistently and similarly slower rates of increase than the southern-western and the "work" states. This pattern of similarity characterizes the period before, as well as after, 1947 and seems to indicate that geographical location rather than presence or absence of "right-to-work" laws is a major factor responsible for the faster rates of growth in the RTW states. It suggests that regional location may account significantly both for rates of growth and legislation, rather than legislation causing rates of growth. In fact, geographical location may be one of the third factors, as suggested earlier, that influence both rates of growth and type of legislation. The South and West, in the mid-20th century, seem to be experiencing the growth spurt of industrialization that the Northeast experienced in the late 19th century.

A regional approach also reveals that the "work" states themselves fall into three,[2] rather than one, regional groupings: southern, west-north central and mountain, with different climates, populations, industries and politics. Meaningful comparisons would require thorough examination of the matrix of many interacting forces which shape both economic growth and legislative enactment. Such an undertaking lies beyond the scope of this analysis, but in passing we may note three factors which may have influenced industrial growth in the South even more than "work" laws. These include political, technological and resource factors.

[2] *Southern: Va., N.C., S.C., Ga., Fla., Tenn., Ala., Miss., Ark., Tex., West North Central: Iowa, N.D., S.D., Neb., Kan., Mountain: Ariz., Nev., Utah.*

First is the well-known political advantage possessed by the southern "right" states in their disproportionate share in the chairmanships of powerful congressional committes. This advantage, during a period of vast expansion of military installations and of defense industries, assured these states a substantial share in the gigantic war and cold war industrial expansion of the past quarter century. Their mild climate and remoteness from Soviet missiles were additional considerations in the location of "defense installations" in the South and West.

Second, the development and popularization of air conditioning, by blunting the deterence to industrial expansion of the South's long, hot summers, has contributed substantially to the industrial growth of this region during the past two decades.

Finally, the expanded use of natural gas as an industrial fuel and the development of the petro-chemical industry have been a major factor for economic expansion in the Southwest.

TABLE IV.—THE REGIONAL FACTOR AS AN EXPLANATION OF GROWTH

[How both right-to-work and non-right-to-work States parallel growth rates of their regions, in percent]

	1939–47	1947–63
Value added by manufacturing:		
Northern and eastern regions	[1] 24.0	[1] 7.5
Non-right-to-work States	24.9	8.9
Southern and western regions	29.1	14.5
Right-to-work States	29.6	14.4
Capital expenditures:		
Northern and eastern regions	47.6	3.1
Non-right-to-work States	52.3	3.7
Southern and Western regions	66.9	5.9
Right-to-work States	62.1	6.6
Number of production workers:		
Northern and eastern regions	6.3	−.7
Non-right-to-work States	6.6	−.2
Southern and western regions	7.2	2.0
Right-to-work States	6.4	2.3
Population:		
Northern and eastern regions	1.0	1.6
Non-right-to-work States	.7	1.9
Southern and western regions	1.8	2.5
Right-to-work States	1.1	2.0

[1] Average annual percentage increase for indicated periods. Based on aggregate values not adjusted for price changes.

RTW legislation may be viewed as one among numerous regional devices used by these industry-hungry states of the South and West in their frantic bid for industry. The success of tax subsidies, free plants, low wages, anti-union laws, weak unions, etc., in attracting certain types of business firms may be granted. Whether the types of firms attracted by such policies contribute to the wealth of the region and the income of its people is less certain. For example, Mississippi, one of the most aggressive practitioners of this policy for the past three decades, remains, as it was at the beginning, lowest in the nation in per capita income.

In support of the hypothesis that "right-to-work" legislation is merely one of many substandard devices popular in some southern and western states, we may note that none of the "work" states has a minimum wage law that approaches federal standards in level and coverage, whereas 12 of the "other" states have such laws.[3] Only five of the "work"

[3] *Arkansas: $1.00 a day starting; $1.25 after 6 months' experience. Nevada: (Covers females only) $1.00/hr. if under 18; $1.12½/hr. if over 18. North Carolina: $.85/hr.; South Dakota: $15/wk. in cities over 2,500 pop., $12/wk. in other cities (covers females only). Bureau of National Affairs, Labor Relations Expediter, pp. 69–99.*

states have fair employment practice laws while 25 of the "other" states have these laws.[4] Similarly, old-age pensions and unemployment benefits are substandard in most of the "work" states.[5]

In this brief analysis, we have indicated that the rate of economic growth statistics offered in support of "right-to-work" legislation are faulty on several grounds. First, as presented they constitute incomplete and misleading statistics. Second, they involve faulty logic in implying that similarities in statistical pattern between two variables prove a causal relationship. Third, they ignore the fact that rate of growth advantages existed before the passage of "work" legislation. Fourth, we demonstrated that the advantage of "work" states in rates of growth was insufficient to affect significantly the per capita income standing of the states over long periods of time.

Fifth, we demonstrated that comparisons between "right" states and "other" states were basically regional comparisons between the newer and older industrial areas of the nation. Sixth, we indicated that various political, technological and resource factors, other than "work" legislation, could account for the differences in growth rates. And, finally, we noted that "work" laws may be viewed as part of a general system of legislation prevalent in "work" states where statutes unfavorable to workers have long been promoted as creating "a favorable business climate."

PRESIDENT JOHNSON'S PASSION FOR PEACE MOVES NUCLEAR NONPROLIFERATION TREATY FORWARD

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the month of August 1967, may well go down in history as one of the most auspicious months in recent history.

For August was the month when two of the greatest powers of the modern world, the United States and the Soviet Union, joined forces to offer to the world the famous nuclear nonproliferation treaty.

And one of the men who justly deserves the praise which history will bestow on him for that event is President Lyndon B. Johnson.

While charges and countercharges on Vietnam fill the air, Lyndon B. Johnson has pursued the course of nuclear disengagement for years with the passion and intensity of a man who knows he holds in his hands the destiny of his Nation, and perhaps the destiny of the world.

The offering of the nuclear nonproliferation treaty to the Disarmament Committee in Geneva is a remarkable and outstanding achievement.

The treaty is not perfect. What treaty is? But it symbolizes the deep responsibility which both nations feel for the preservation of mankind.

I insert an editorial from the Newark News which commends the United States for its disarmament efforts in this critical area:

THE NUCLEAR TREATY

On the day after Moscow warned that the step-up in bombing North Vietnam would "inevitably lead to the necessary retaliatory steps," the Soviet Union and the United States joined in offering a nuclear nonproliferation treaty to the world.

If such inconsistency confuses, consider Hanoi's perplexity. There, uncertainty must be doubled in spades. For not only has North Vietnam's Soviet ally cooperated with Washington but Red China, its other supposed ally, appears bent on making enemies in every possible direction.

Duality, of course, is nothing new to foreign relations. And a mutual interest in survival has a way of prevailing over ideology. In this regard the nonproliferation treaty qualifies as a step toward making life on earth a little more certain by restricting the manufacture of nuclear weapons.

Serious shortcomings remain. Red China and France, both of whom have the ability to make H-bombs, are not signatories. The United States and the Soviet Union are not precluded from making additional weapons. And the entire control section of the treaty was left blank because agreement wasn't reached on how inspection was to be carried out.

Nevertheless, any positive step in a field so fraught with peril is welcome. The treaty seeks to discourage nations from venturing into the costly business of making nuclear weapons while applying safeguards to the peaceful exploitation of atomic energy.

It's a case of something being better than nothing. Where man's survival is concerned, even slight progress is a gain for life over death.

AIR SAFETY

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, just before the Labor Day recess, I held a press conference to describe the congestion in the airspace over metropolitan New York and to suggest some basic changes in air safety administration.

This press conference produced unusually heavy coverage by both network television and the national press.

One reason for my meeting with the press was the neglect I detected for the interests of the nonflying public in air safety. I have been gratified that much mail has come to me after this publicity, from all parts of the country, from people who do not fly regularly but who feel they have a stake in air safety.

Because of this unusual response, I am summarizing below my statement on a new approach to air safety:

My interest in air safety derives from two considerations: first, my district includes most of La Guardia Airport—one of the Nation's busiest; and all of Flushing Airport, a private field only 2 miles from La Guardia. My constituents—airport neighbors in a congested area—are subject day and night to the dangers of all types of air accidents.

The second reason for my concern is a belief, which I have pursued in other fields, that in Government there are often unwritten and unspecified sympathies between Government agencies and the industry they regulate. These sympathies ignore the interest of the average citizen. I believe, for reasons I am about to describe, that such neglect exists also in the field of air safety.

With many other Americans I, too, am a frequent air traveler. About 10 percent of our population travels regularly by air. I am concerned with the 90 percent who remain on the ground, but who have an important stake in air safety.

This 90 percent of our people is, I believe, unrepresented when air safety is considered.

One of the pecularities of air travel is that it jeopardizes the completely innocent. With other modes of travel, some acceptance of risk is implicit. Whether you drive your car, or cross a street or a railroad track, or mount a stepladder, you understand that, by your actions, you take a certain risk. But those who do not fly are the true innocents when we consider air disasters. They may be in their homes, their cars, or schools or hospitals, and become victims of an air accident.

For those who reply that such things do not happen often, I can only say that they will happen more often in the future. For those who say that accidents will always happen, I reply that complacency has never saved a single life.

To find out on my own how serious the air safety problem was in the New York area, I began an intensive study of the near-miss reports which pilots file voluntarily after incidents they think potentially dangerous.

I have analyzed over 80 near-miss reports from the New York metropolitan area from 1965 to the present. Since the present reporting system is completely voluntary, no one knows what percentage of the total number of near misses these 80 represent.

For this same reason, the 462 near-miss reports received by the FAA last year nationwide are only part of the story of the dangers of midair collision.

Even this partial reporting of near misses suggests urgently needed changes in our present air safety system. In the conclusion of this statement, I have summarized some of these accounts, not for their dramatic impact, which is certainly there, but rather to show the kinds of problems which develop almost every day over the New York metropolitan area.

These problems, which I have considered in detail in the second attachment, represent areas where I believe our present organization of air safety responsibilities is deficient.

In preparing this information we have relied on many sources including FAA reports, regulations, and policy statements.

We have also considered the viewpoints of the various special groups within aviation—airline pilots, controllers, manufacturers, airline operators—who today, often through FAA, are the only voices representing air safety interests.

[4] *Iowa, Kansas, Nevada, Utah, Nebraska, North Dakota have sanctions, but no administration. Bureau of National Affairs, Labor Relations Expediter, p. 1891.*

[5] *Some of the western states are above average in benefits.*

The one viewpoint which is not represented at the present is: How can we best protect the interests of the airline passenger and of the great majority of Americans who do not fly at all, but who may be the innocent victims of airline disasters?

These neglected areas of air safety, and my recommendations to improve them, are:

1. NEAR-MISS REPORTING

THE PROBLEM

Near-miss reporting, as presently organized by FAA, is neither complete nor properly used by FAA in developing better air safety standards. Unless near-miss reporting becomes the basis for independent judgment on the adequacy of the present air safety system, we will remain ignorant of the causes and frequency of near-midair collisions. Today we have not even developed a system which describes accurately what the midair risks are.

RECOMMENDATION

Near-miss reporting should be made mandatory. To make this possible, pilots should not be subject to punitive action on the basis of their own reports. In hearings held as a result of near-miss incidents, FAA should not serve as prosecutor, judge, and jury—it should be the prosecutor before an independent tribunal with the defendant-pilot entitled to counsel and other protections of our legal system.

2. FAA AND GENERAL AVIATION

THE PROBLEM

General aviation, which includes all civil flying except scheduled airliners, is by far the fastest growing segment of American aviation. I believe that pilots and manufacturers who speak for this segment have a disproportionate voice within the FAA. It seems to me that the commercial value of the expansion of general aviation is exaggerated, within FAA, to the detriment of improved air safety. The vast corps of general aviators, through their insistence on their "right" to fly anywhere, represent a growing hazard to air safety.

RECOMMENDATION

FAA policies should give explicit priority for scheduled airliners and their passengers within American aviation. Only by such a drastic alteration of existing values within FAA can we represent the interests of the 99 percent of the public outside general aviation, whose rights have largely been ignored. FAA's organization and budgeting, including research and development funds, must reflect this priority.

3. PRIVATE FLYING OVER CONGESTED AREAS

THE PROBLEM

The problems of general aviation become critical over our cities. The lack of experience among pilots of small aircraft and the absence of basic navigational and communications equipment on their planes imperils airline passengers, those residing near airports, and other completely innocent people on the ground, especially if midair collisions occur.

RECOMMENDATION

A system of restricting private planes over metropolitan areas is essential. This system must take full account of the priority of scheduled aircraft, based on their size, passenger load, speed and importance in general transportation. Further account must be taken of the inherent danger in mixing small planes, scantily equipped and piloted by amateurs, in heavily traveled airport areas where split-second timing and maximum public risk are involved.

A commitment by FAA to "thin out" air traffic—despite private aviation's predictable opposition—is the first step needed.

Formulation of this restriction should be made by a public air safety authority with proper public representation. The simplest approach, which may be the best, would eliminate all planes without specified minimum equipment within a radius of metropolitan areas. Further, pilots without training and experience in such equipment would be excluded.

An alternate restriction would ban private aviation from certain corridors leading to key metropolitan airports.

Such equipment and pilot standards would avoid the standard rebuttal to proposals to exclude private planes from large airports—the air space over metropolitan areas would remain just as congested if private planes are simply diverted from one airport to another. We accept this objection. We believe, therefore, that only by setting higher safety standards for planes over metropolitan areas can safety be improved.

4. COLLISION AVOIDANCE SYSTEM (CAS)

THE PROBLEM

A system already exists which will warn pilots of impending danger from other aircraft, and tell them what evasive action to take. It is costly, but economically feasible for large commercial planes. FAA leadership in encouraging such systems and broadening its potential use is confused, leisurely and half-hearted.

RECOMMENDATION

The Federal Government should show the same devotion to air safety that it is now displaying toward auto safety despite industry reluctance. FAA leadership in requiring CAS is the first step toward meeting this obligation.

5. ACCIDENT INVESTIGATION

THE PROBLEM

Responsibility for investigating aviation accidents is presently divided between FAA and the National Transportation Safety Board—which assumed the CAB's investigative responsibilities. Both are part of the Department of Transportation. Consequently, investigations are subject both to intraagency protectiveness and to in-house rivalries. As a result, the pilot, often dead or otherwise defenseless, is frequently blamed for accidents. No one considers the possible fault of the agencies or the air safety system they have developed.

RECOMMENDATION

Air accident investigations should be conducted in a court of inquiry system, outside the Department of Transportation. Participants in the inquiry should have the protection and opportunities of our legal system.

CONCLUSION

In ending this review of my reasons for a continuing concern for air safety, I would recommend that Congress consider these facts and act on them. Specifically:

First. I urge that the Government Operations Committee, of which I am a member, study the organization of air safety responsibility within the Federal Government. I do not believe the present system of air safety gives the public its proper representation. FAA must be reexamined and perhaps rebuilt to give this representation.

Second. I recommend that Congress establish Public Air Safety Boards outside the Federal Government, especially for the highly developed urban areas. These boards will represent, better than FAA or any Government agency, the public's true interest in air safety.

People will say that these recommendations cannot be carried out; that private pilots have equal rights with airliners and that we must let FAA make these decisions.

There is no parallel in our society to the present unrestricted freedom, with its concomitant danger, that a few hours of flight training gives a private pilot.

When it comes to a choice between one private pilot and his rights, and the rights of hundreds of passengers in a single airliner, and the rights of thousands of helpless people on the ground, my vote is going to the many, not the few, and to the safety of millions and not the private business or pleasure flying of the minority.

AHEPA CONVENTION HONORS JOHN LAWRENCE

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CABELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CABELL. Mr. Speaker, at the recent AHEPA Convention in Dallas, Mr. Nick Zelios, convention chairman, arranged one of the high spots of the convention in which a luncheon program described what an American company had done for the Greek island of Mykonos.

I insert in the RECORD at this point a summary of this recognition given to John Lawrence and Dresser Industries for its fine work in furthering the educational opportunities on this Greek island:

AHEPA CONVENTION HONORS JOHN LAWRENCE

A gift to help build a school on a Greek island brought unexpected recognition to Dresser Industries, Inc., of Dallas, Texas, at the 45th Supreme Convention of AHEPA in Dallas.

John Lawrence, President and Chairman of Dresser Industries, accepted three awards on behalf of his company at the annual AHEPA Business and Professional Men's

Luncheon on Wednesday, August 23. Lawrence suggested that American business operations abroad are, in a way, an "American Industrial Peace Corps." He urged American industry overseas to "help its friends everywhere to achieve higher standards of living and education."

The Order of AHEPA, with 1,129 local chapters and auxiliaries, is composed mainly of American and Canadian citizens of Greek descent.

Dresser developed a barite mine on the Greek island of Mykonos in the Aegean Sea in 1956. The company has been the largest employer on the tiny island for a decade, and last year contributed $10,000 towards construction of the first high school on Mykonos.

Although no announcement of the Dresser gift to the Mykonos school was made in the United States, Nick Zelios, General Chairman of the AHEPA convention, learned of it and organized the tribute to the company. Dresser assisted in the preparation of a slide film on Mykonos shown at the luncheon.

Zelios, a Dallas businessman, presented Lawrence with a model boat and a note from Franciscos Mazos, Mayor of Mykonos, reading: "With all our love I send you a small gift from our island."

A plaque was presented to Lawrence by Kimon A. Doukas, Supreme President of AHEPA, "in recognition and grateful acknowledgement of his company's educational contribution to the island of Mykonos, Greece."

A message from the Prime Minister of Greece was read by Basil Phokas of Athens, director of Hellenism abroad for the Greek government. He announced that a special medal was being struck for the occasion and added: "This medal is being forwarded by the Greek government for Dresser Industries to commemorate Dresser's contribution to Greece and more particularly to Mykonos."

Accepting the awards at the luncheon, Lawrence said:

"I deeply appreciate these awards and gratefully accept them in the name of my company and on behalf of the many Dresser people who worked so unselfishly on the Mykonos school project. I hope that the help we gave will result in lasting benefits for the people of Mykonos.

"I might add that this is a good example of how American industry can be helpful in foreign lands. We hear a lot these days about the wonderful work being done by our young people in the Peace Corps. In a manner of speaking, American industry can also be called an American Peace Corps. In short, American industry must not overlook its opportunity to help its friends everywhere to achieve higher standards of living and education."

Mykonos, often described as an "unspoiled" Greek island is arid and rocky. It is only 30 square miles in area and has a population of about 3,000. Except for a few fishing boats and tourists, there was no industry on the island until Dresser geologists discovered barite deposits.

Barite is a heavy mineral mixed with water to make "drilling mud" for oil and gas well drilling. The drilling mud lubricates the drill bit, flushes crushed rock to the surface, and helps prevent "blow outs."

Dresser has contributed substantially to the economy of Mykonos since coming to the island with a capital investment of $1.3 million. The company has taught new skills to residents, directly supported one-quarter of the population, and donated labor and equipment for a wide variety of civic projects such as road building, the construction of a harbor breakwater, and a meteorological station.

Dresser has shipped more than a million tons of barite from Mykonos in the last ten years. Small sample bags of barite labelled "A Little Bit of Greece" were given to guests at the AHEPA luncheon.

Members of AHEPA were so moved by the story of the school on Mykonos that they asked for more sample bags of barite to be sold in local chapters for $1 each. Dresser agreed to donate the bags and accept the proceeds of their sales for transmittal to the Mykonos school board.

Most children on the island receive only a few years of schooling. Some children are able to leave the island each year to continue school on a neighboring island or in Athens. The people of Mykonos long had wanted a secondary school to provide 12 years of instruction, but the Greek Ministry of National Education was unable to provide the funds.

In 1963, a native of Mykonos now living in the United States donated a plot of land on the edge of the city of Mykonos and $3,000 in cash to the Mykonos School Board with the stipulation that construction of a school begin within three years. Otherwise, the land would go back to the owner.

Plans for the school were drawn, but no financing was available by mid-1966.

When Dresser learned of the deadline, it offered $10,000 to the Ministry of Education if matching funds were provided by the Ministry. The offer was accepted and the skeleton of the school has been erected.

The slide film presented at the luncheon showed views of Mykonos, its people, its children, the cornerstone laying ceremony for the new school, and the construction of the school.

TRIBUTE TO SAMUEL RICHARDSON DAVENPORT

Mr. TENZER. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. MONTGOMERY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, Sam Davenport has meant much to me since I first came to Washington. Not only has he been a great help to me in my work, but also he has been a close friend through our prayer breakfast meetings.

My office staff became especially fond of him for his sincere and capable assistance on matters of importance to the office.

Mr. Davenport has set an example of dedication to his work that would behoove everyone to follow. He has been an inspiration to me here on the Hill, and I will be forever grateful for his many courtesies.

PERSONAL ANNOUNCEMENT

Mr. THOMPSON of Georgia. Mr. Speaker, I wish to state that on yesterday I was in my district on congressional business and unable to attend. Had I been present on rollcall vote 240, I would have voted "yea."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COHELAN, for September 11–15, 1967, to attend as a delegate the Japanese-American Assembly, Shimoda, Japan.

Mr. HAGAN (at the request of Mr. FOUNTAIN), for today, September 12, on account of official business.

Mr. MCCULLOCH (at the request of Mr. GERALD R. FORD), on account of official business—National Advisory Committee on Civil Disorders.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. OLSEN, for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. STANTON) to revise and extend their remarks and to include extraneous matter:)

Mr. BUSH, for 30 minutes, on September 12.

Mr. TAFT, for 20 minutes, on September 13.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STANTON) and to include extraneous matter:)

Mr. QUIE.

Mr. PETTIS.

(The following Members (at the request of Mr. TENZER) and to include extraneous matter:)

Mr. NIX.

Mr. WRIGHT.

Mr. PHILBIN.

Mr. ADDABBO.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 163. An act for the relief of CWO Charles M. Bickart, U.S. Marine Corps (retired).

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 9837. An act to amend the Legislative Branch Appropriations Act, 1959, as it relates to transportation expenses of Members of the House of Representatives, and for other purposes.

ADJOURNMENT

Mr. TENZER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 13, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1069. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of the

Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Creek Nation of Indians in Indian Claims Commission docket No. 21, and for other purposes, was taken from the Speaker's table and referred to the Committee on Interior and Insular Affairs.

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. CELLER: Committee on the Judiciary. H.R. 8338. A bill to create a new division for the Western District of Texas, and for other purposes (Rept. No. 629). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. S. 828. An act to amend section 5(b) of the act of March 18, 1966 (Public Law 89-372), so as to make the prohibition contained therein on the filling of certain vacancies in the office of district judge for the eastern district of Pennsylvania inapplicable to the first vacancy occurring after the enactment of such act (Rept. No. 630). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. S. 1465. An act to provide for holding terms of the District Court of the United States for the eastern division of the Northern District of Mississippi in Ackerman, Miss. (Rept. No. 631). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1165. An act to provide for the disposition of judgment funds now on deposit to the credit of the Minnesota Chippewa Tribe of Indians on behalf of the Mississippi Bands and the Pillager and Lake Winnibigoshish Bands of Chippewa Indians (Rept. No. 632). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2828. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Iowa Tribes of Kansas and Nebraska and of Oklahoma in Indian Claims Commission docket No. 138, and for other purposes; with amendment (Rept. No. 633). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 8580. A bill to convey certain land to the Squaxin Island Tribe of Indians; with amendment (Rept. No. 634). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.R. 10130. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments; with amendment (Rept. No. 635). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11428. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Emigrant New York Indians in Indian Claims Commission docket No. 75, and for other purposes (Rept. No. 636). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 637. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 12819. A bill to amend title II of the Social Security Act to provide that a divorced wife may qualify for benefits on her former husband's wage record, even in the absence of continuing support (or any right to such support) from him, if she received a substantial property settlement upon their divorce; to the Committee on Ways and Means.

By Mrs. DWYER:

H.R. 12820. A bill to amend title 23 of the United States Code to increase the total mileage of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. EILBERG:

H.R. 12821. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

H.R. 12822. A bill to amend the act of May 14, 1948, in order to exclude from burial in national cemeteries the remains of persons determined to have been subversive; to the Committee on Interior and Insular Affairs.

H.R. 12823. A bill to supplement the purposes of the Public Building Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

H.R. 12824. A bill to amend the Internal Revenue Code of 1954 to provide the same benefits for employees of public hospitals with respect to certain pensions and profit-sharing plans as those presently provided for employees of private nonprofit hospitals, other charitable organizations, and public and private schools; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 12825. A bill to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

By Mr. ESCH:

H.R. 12826. A bill to amend section 503 of title 38 of the United States Code to exclude from consideration as income, for the purpose of determining eligibility for pension, all amounts paid to an individual under public or private retirement, annuity, endowment, or similar type plans or programs; to the Committee on Veterans' Affairs.

H.R. 12827. A bill to amend chapter 15 of title 38, United States Code, in order to increase by 20 percent the income limitations imposed by that chapter on persons entitled to pensions thereunder; to the Committee on Veterans' Affairs.

By Mr. FARBSTEIN:

H.R. 12828. A bill to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

By Mr. HARSHA:

H.R. 12829. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 12830. A bill to reduce the depletion allowance for oil and gas; to the Committee on Ways and Means.

By Mr. KLEPPE:

H.R. 12831. A bill to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

By Mr. MONTGOMERY:

H.R. 12832. A bill to amend title 18 of the United States Code to prohibit travel or use of any facility in interstate or foreign commerce with intent to incite a riot or other violent civil disturbance, and for other purposes; to the Committee on the Judiciary.

By Mr. OLSEN:

H.R. 12833. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Jefferson-Whitehall unit, Missouri River Basin project, Montana, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PELLY:

H.R. 12834. A bill to amend the tariff schedules of the United States to provide that the amount of groundfish imported into the United States shall not exceed the average annual amount thereof imported during 1963 and 1964; to the Committee on Ways and Means.

By Mr. ROUDEBUSH:

H.R. 12835. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. SCHEUER:

H.R. 12836. A bill to provide a statement of congressional intent on appropriate governmental assistance for universal educational opportunity at the postsecondary level; to direct the Secretary of Health, Education, and Welfare to submit a plan and conduct a study; to the Committee on Education and Labor.

By Mr. SCHNEEBELI:

H.R. 12837. A bill to amend the tariff schedules of the United States with respect to the temporary rate of duty for color television picture tubes; to the Committee on Ways and Means.

By Mr. BRASCO:

H.R. 12838. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. GATHINGS:

H.R. 12839. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 12840. A bill to provide for the adoption of the perpetual calendar; to the Committee on Foreign Affairs.

By Mr. MURPHY of New York:

H.R. 12841. A bill to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance, and for other purposes; to the Committee on Banking and Currency.

By Mr. PHILBIN:

H.R. 12842. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 12843. A bill to amend the Public Health Service Act to provide for the establishment of a National Eye Institute in the National Institutes of Health; to the Committee on Interstate and Foreign Commerce.

By Mr. GILBERT:

H.R. 12844. A bill relating to the carryover of net operating losses of certain railroad corporations; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 12845. A bill to extend second-class mailing privileges to certain publications of offices of State secretaries of state; to the Committee on Post Office and Civil Service.

H.R. 12846. A bill to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes; to the Committee on Public Works.

By Mr. HOWARD:

H.R. 12847. A bill to amend title 39 of the United States Code in order to proscribe the mailing of certain matter not desired by addressees; to the Committee on Post Office and Civil Service.

By Mr. KUYKENDALL:

H.R. 12848. A bill to amend section 303(b) of the Interstate Commerce Act to modernize certain restrictions upon the application and scope of the exemption provided therein; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 12849. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.J. Res. 815. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. DUNCAN:

H. Con. Res. 504. Concurrent resolution expressing the sense of the Congress that the Supreme Court should adhere to the literal meaning of the Constitution; to the Committee on the Judiciary.

By Mr. WHALLEY:

H. Res. 918. Resolution amending the rules of the House in order to transfer jurisdiction over military and national cemeteries from the Committee on Interior and Insular Affairs to the Committee on Veterans' Affairs; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 12850. A bill for the relief of Ku Eun Yong; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 12851. A bill to authorize the transfer of two vessels to the Harry Lundeberg School of Seamanship for nontransportation use in the training of merchant marine personnel; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 12852. A bill for the relief of Benito Chow Wong, also known as Cho Chia Yuan; Chan Pui Koon, also known as Chan Pui Koon De Chow; Tin Yee Chow and Elisa Chow Chow; to the Committee on the Judiciary.

By Mr. GARDNER:

H.R. 12853. A bill for the relief of Zenaida I. Biroq; to the Committee on the Judiciary.

By Mrs. HECKLER of Massachusetts:

H.R. 12854. A bill for the relief of Fiorvante Leo; to the Committee on the Judiciary.

By Mr. IRVIN:

H.R. 12855. A bill for the relief of Gelsomino and Anna Amatulli; to the Committee on the Judiciary.

By Mr. KEE:

H.R. 12856. A bill for the relief of Vito Delisi; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 12857. A bill for the relief of Matsu Tengan and his wife, Kama Tengan; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 12858. A bill for the relief of Konstantinos Kiriakakis; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 12859. A bill for the relief of Tung Yick Chin; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 12860. A bill for the relief of Dr. Luis Ravenet; to the Committee on the Judiciary.

By Mr. WALKER:

H.R. 12861. A bill for the relief of certain individuals employed by the Department of the Air Force at Kirtland Air Force Base, N. Mex.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Remedy for Farm and City

EXTENSION OF REMARKS

OF

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. QUIE. Mr. Speaker, I wish to call to the attention of my colleagues a recent editorial which appeared in the authoritative publication, the Farm Journal. It is titled "Remedy for Farm and City" and is reprinted in a newspaper from my home district, the Daily Republican Eagle of Red Wing:

REMEDY FOR FARM AND CITY

The most promising long-range solution to the "farm problem" is more off-farm jobs in rural America. Such jobs would let those farmers who want to, or have to, leave farming, part way or all the way, do so. They might well make more money, and so would the farmers who would be left. Meanwhile all of them could continue to live where they do now, or not far away. How much better for them than to move as strangers to South Chicago, South Philadelphia, or South Big City anywhere!

The big cities would benefit, too. They might begin to solve their problems of crime, traffic, wretched housing, slums and ghettos. How much better off Detroit would have been if the people who swarmed in from rural communities had been able to find jobs, and the vocational education to go with them, where they came from.

It's no wonder big cities have riots. It is simply abnormal for so many people to live atop one another in so little space, like ants in an ant hill. Nor is it any longer necessary in this day of rapid transportation, of communications media that bring the best of the arts that the cities have to offer, of branch stores of the biggest emporia of large cities, of decentralized health and education facilities. The Mayo Clinic is in Rochester, Minn. Many universities are in small places, and now Community Colleges are bringing higher education to the countryside.

The nation as a whole would gain, both economically and socially, from a spread-out of people and jobs. It would be sounder of fibre if more of its people had a little elbow room, access to the open country, a part in community affairs—in short a normal kind of life.

Mr. Speaker, I fully agree that making rural and small town life more attractive could help to stem the tide of migration to large cities which are already beset with a myriad of problems.

Mr. Speaker, at the same time I believe the present administration could take immediate action to alleviate the growing problem by assuring farmers a better break economically. A cause of this continued rush to the cities is the unfair treatment farmers have received from the present administration. As I have pointed out many times in recent years, the present administration has all but abandoned farmers. The administration, through the U.S. Department of Agriculture, has sought to hold down farm prices. The only motive, as far as I can see, for the deliberate attempt to penalize farmers, is to court the votes of urban residents.

Even the present administration should understand that this is self-defeating. Low farm prices are driving more and more farmers to the cities where they in turn add to the burden of the cities, which are already heavy enough.

Mr. Speaker, I urge the administration to examine its shortsighted policy of trying to hold down the prices of commodities produced by farmers. If prices were not continually and artificialy depressed, many more farmers would stay on the farm and the Nation as a whole would be much better off.

War on Poverty Defended

EXTENSION OF REMARKS

OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. WRIGHT. Mr. Speaker, today, when it seems to be in fashion to spout forth irresponsible charges about the Office of Economic Opportunity, it is a real pleasure to read an objective analysis of the program.

Such an assessment recently was prepared by my distinguished colleague, the Honorable EARLE CABELL, of Dallas, Tex. With his usual clear thinking and sense of fairness, the Congressman has set forth the issues involved as we prepare to debate the antipoverty bill. I agree with Congressman CABELL's conclusion that the war on poverty must go on. With unanimous consent, I insert his statement in the RECORD so that all Members may benefit from it:

STATEMENT OF CONGRESSMAN EARLE CABELL

Despite a growing volume of criticism of the War on Poverty, there appears little real sentiment in Congress for ending it completely.

Along with the daily reports of criticism from all areas are small signs from divergent sources that the effort being made in this field needs to be expanded rather than contracted.

Even in Dallas a few days ago when Representative Ray Roberts of McKinney painted a dark picture for the future of the $1.4 billion OEO appropriation, he suggested that a replacement had to be made and his idea was a make-work program that carried a $4 billion price tag. This would be along the lines of the old N.Y.A. during the 30's.

In an appearance before the House Education and Labor Committee, John Burkhart, an Indiana insurance executive and chair-

man of the United States Chamber of Commerce education committee, testified that "the problems of poverty cannot be swept under the rug," and had high praise for the Community Action Program.

And in a recent issue of the U.S. News and World Report, this weekly magazine strongly implied our priorities are out of balance and that the war against poverty is receiving a pittance when compared with the war in Viet Nam.

As yet, no final bill has been approved by the House Education and Labor Committee for funding this year's Poverty War program and any criticism of it at this time would be premature.

Much of the headline content today centers around the possible role played by local OEO units in the recent riots, but these give a distorted picture of the entire program.

I am familiar with the work done by our Dallas CAP and am convinced much of the credit for our current peaceful situation is a direct result of its intelligence and understanding.

I know that the War on Poverty has faults. I know that it has not yet achieved all of the goals it so hopefully raised two years ago. I know that it is only beginning to be effective and that many of its programs have yet to get off the ground.

The major weaknesses that I have observed and which I believe merit correction are:

(1) The proponents have "oversold" it and built up false hopes as to immediate and dramatic results;

(2) Many community leaders have not given it sufficient time and guidance to keep it on an even keel, and

(3) The Administration has been hesitant in eliminating obviously poorly designed programs and have leaned too heavily on sociological "dreamers" and not enough on horse sense.

But I also wonder what might happen to this country if the underprivileged were told that all Poverty funds were to be cut off and all such programs abandoned.

We have opened a door. I cannot see how it can ever again be shut.

The best hope that I can offer is an assurance to do all in my power to see that the poverty authorization written in Congress contains as much money as is prudent to keep the programs going and that all possible safeguards against a repetition of past mistakes are built into the program.

The Plight of Our Teachers

EXTENSION OF REMARKS

OF

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. PETTIS. Mr. Speaker, I am profoundly disturbed by strikes in many cities among teachers needed to educate our country's children. I am convinced that wages, while much talked about, are not the only issue. People who go into this profession do not do so for the money.

But the role of teachers in many communities is gradually being undermined by much publicized poverty war people, who, though usually better paid, often lack the level of professional skill attained by our teachers.

These teachers, Mr. Speaker, are thoroughly upset. With a breakdown of discipline in the homes, a disrespect for law and order in the streets, and anarchaic conditions in many classrooms, the teachers are prevented from doing what they know to be best for their students. Because of a discipline crisis, many teachers have almost given up the battle. They have told me that their position is rapidly becoming untenable.

"How can we instill principles of honor and industry in our students when these virtues are denied by wholesale Great Society programs?" they say. "These programs, with their waste, graft, and giveaway philosophy are destroying any sense of realism or economic integrity our children may have developed. The value of a dollar is forgotten and individual pride and their sense of personal responsibility evaporate."

Our American teachers, Mr. Speaker, have played and must continue to play an important and basic part in the preservation and development of our free society. If they lose their idealism and sense of mission, we are in real trouble. The sooner we get away from artificial elements and stimuli in our economy, the sooner we can move forward to genuine growth and solid progress.

Project Pride

EXTENSION OF REMARKS

OF

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. NIX. Mr. Speaker, perhaps thousands of words have been spoken here about riots, slums, poverty and their cure or possible cure.

In recent months, I have spoken some of them.

There is no cure-all or panacea or magic formula to solve these problems. If there were, I am sure that by now, someone, either within these walls or without, would have come forth with that solution.

The cure is a long one, almost arduous, spiced liberally with a great deal of patience and understanding and most of all with the sincere desire to help cure these conditions.

Mr. Speaker, in line with these thoughts, I take this opportunity to comment on the much publicized and sometimes controversial Project Pride which recently ended a successful summer of operation in the streets of Washington, and now promises to embark on a year-long operation.

Mr. Speaker, I have commented before that the myth that poverty stricken people do not want to work is exactly that—a myth.

At that time, I discussed a project in Philadelphia called Jobmobiles which encountered a great success—which made opportunity to work available and which opportunity was eagerly grasped by a waiting mass of persons.

Project Pride follows along this path.

Project Pride combined the opportunity of working with the opportunity of performing a civic deed—that of cleaning up the streets and alleys of those areas that are called slums and ghettos.

Project Pride is aptly named for it deals with youth whose pride has been restrained, yes almost beaten down.

A youth to whom opportunity has been somewhat limited and whose earning power has been and promises to be less than limited.

Now they have something to grip on to. A job with the blessing of the community, a job that pays more money than they dreamed could be earned with their limited training.

The beauty of the whole project however is that the youth are now being offered this job part time.

They are being encouraged to continue with their schooling while aiding the financial situation of their homes.

Now they will have the money for proper food, for presentable clothing plus the opportunity to gain more schooling.

At the crux of each situation are two words—opportunity and training.

Combined, they make perhaps the best medicine for a discontented corps of people.

This is what Jobmobile sought to do. This, I believe is what Project Pride seeks to do.

Let us do all in our power to continue making available opportunity and training.

I do not believe that these people will let us down—that is if we do not let them down.

Serious Pilot Shortages

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. PHILBIN. Mr. Speaker, recent hearings in the other body indicate that serious pilot shortages now exist in the Navy and Air Force and are expected to continue at least through the fiscal year 1971.

Many reasons are given to account for these shortages—failure to increase pilot training in time to meet the expanded needs of combat in Vietnam; the adverse effects of the war itself on the retention of pilots in service, and the intense recruiting of Air Force and Navy pilots by the civilian airlines.

It is also stated that the decision not to allow the Navy and the Air Force to call up their reserve pilots is likewise a factor in the shortages.

The Air Force is said to be suffering from a shortage of 6,815 pilots and would still have a shortage of 3,636 pilots in the fiscal year 1971.

The Navy also faces a shortage of 2,430 aviators, and this shortage, according to Admiral McDonald, would not be made up until 1974.

Officials say that these shortages have not affected air operations in Vietnam, but no doubt further checks will be made on this point to ascertain the facts, even

though it is said that combat pilots have been maintained at 100 percent.

The Air Force states that it has been forced to return to flight status 2,400 officers who had been relieved from flight duty because they had reached the age of 45. The Air Force also testified that it has reduced the normal pilot manning levels of squadrons in the United States and Europe and cut back on the number of qualified pilots sent to advanced training schools.

It was testified by Admiral Miller, director of the Navy's Aviation Plans and Requirements Division, that the Navy had taken similar measures and that pilot manning levels in the carrier attack squadrons of the Atlantic and Mediterranean fleets were below the strength desired in case of an emergency. For security reasons, the exact strength of these squadrons cannot be publicly disclosed.

It further appears that since July 1962, the Air Force had requested an annual output of 3,000 pilots by 1966, and that in 1963 the Air Force had asked to build 3,400 pilots annually by 1968, but the request was disapproved and only 2,760 pilots by 1967 and 1968 were approved.

In July 1966, the Air Force asked the Defense Department to allow it to expand pilot training by 912 men over the 2,760-man level reached in the fiscal year just ended. Last December, however, the Department of Defense reduced this request by an additional 476 pilots.

Intense recruiting by private airlines was seriously affecting the ability of the Air Force to retain pilots in the service, and by last summer 80 percent of the pilots resigning from active duty said they were doing so to join the airlines. In 1966 the Air Force expected to lose only 638 pilots through resignations, but instead lost over 1,000. In previous years, the Air Force was able to retain for at least 6 years 70 percent of the pilots that it recruited. Now, however, it is testified that the proportion has fallen to 60 percent and appears to be declining further, and 67 percent of the pilots now leaving the Navy said they were doing so to join the airlines.

There are alarming implications in the testimony given to the committee of the other body, indicating that the Air Force and the Navy are paying a heavy price for certain, economy decisions that substantially scale down reliance on manned aircraft and put the overall defense of the United States more increasingly dependent on missile systems, and weaken our potential for coping with so-called brush and conventional wars, in which we are now engaged, although I do not want in any sense to minimize the seriousness of Vietnam, which is very costly in terms of young men, aircraft, Navy components like the *Forrestal*, which was so severely damaged with heavy loss of life and diminished prestige in the world for American arms, American policy, American know-how, and American judgment in handling its military and diplomatic problems.

I recognize that the administration has been continuing to make massive efforts to establish peace, and I have persistently joined these efforts to render every assistance in my power toward the goals of peace, not only in Vietnam, but elsewhere.

However, until fighting ceases and peace comes, we must zealously insist upon maintaining and building all necessary strength, and that is a duty we cannot take lightly, nor can we brush it under the table, and I am greatly concerned by present shortages of men and equipment, some of which have undoubtedly sprung from unfortunate miscalculations.

I do not wish to belabor these points at this time, rather, I want to urge again, as I have done so many times, that we intensify our efforts to keep strong at all levels, because much of the world, and unfortunately, much of the Nation, are aflame with revolutionary spirit, and we must make very sure that we are not lacking in any element of the overall power package that comprises total defense and the necessary potential of this country to face up to every contingency at home and abroad.

Missile systems, especially nuclear missile systems, are no answer to our present military engagements. In fact, they are no answers, in my judgment, to any of our problems, because their use in any event would be when we come in extremis, and would produce a horrifying holocaust on this earth that no person in his right mind would want to take the responsibility for.

Among other things, added to our international problems, we have the frightening problems at home of maintaining law and order in local communities and the several States, and this problem must receive top priority, and cannot be subordinated or neglected.

I am not going into the causes of lawlessness here, because they are known to the American people, to the extent they are sparked or augmented by social needs. We must move to close any existing gaps in national programs that are designed to attack and alleviate these deplorable conditions. At the same time we must demonstrate keenest awareness of all facets of these problems.

To the extent that subversive elements may be involved in inflaming public sentiment and inspiring lawlessness, we must move speedily into the breach and check and punish known malefactors that contemptuously and wantonly violate our laws. Above all, we must be ready to meet any contingency and emergency that arise, and we cannot afford to take chances or risks with the security, stability, law and order of this great free society of ours—the lives, the homes, the property of our people.

Let it not be said that this Congress has been unwilling to face up boldly to these problems of external and internal security, national defense, striking power, and peace because the American people are waiting and watching to see whether we, as their representatives in this body will carry out their mandate, as we should, or trifle with or delay in striving with all possible vigor, determination, sound judgment, and speed for necessary solutions.

I have pointed out the Congress must, and should, practice practical economy, wherever and whenever we can do so. This must be done in the interest of our taxpayers as well as in the interest of our great free economy and our vital, high standards of living. But our economy must not be practiced unsoundly at the expense of the national defense, national needs, or the imperative essential demands of this Government and this Nation.

Failure to keep strong and powerful, because of questionable economy would be a great mistake, just as lavish, unnecessary expense for defense, or any other purpose, would be a grave error and injustice to the American people.

The budget of no governmental activity should be beyond careful scrutiny by Congress to apply justified economy. But shortsighted, unjustified economy should not and cannot be practiced or exercised, and that is true in defense, and any other ncessary activity of this Government.

I hope that all high officials and all officials of Defense and every other department will have these principles in mind, so that if we avoid lavishness and imprudence in expenditures, we may likewise prevent peremptory, poorly conceived, unjustifiable cuts in critically important activities, and that goes for the Navy, the Air Force, the Army, the Defense Department, as well as all other departments and agencies of Government.

The Need for Balance and Equity in Financial Policies

EXTENSION OF REMARKS

OF

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1967

Mr. ADDABBO. Mr. Speaker, my colleague from New York, Representative JACOB H. GILBERT, recently addressed the annual convention of the Savings Association League of New York on the subject of "The Need for Balance and Equity in Financial Policies."

The remarks of Congressman GILBERT, who is a member of the Ways and Means Committee, were timely and informative, and I wish to call them to the attention of other Members of the House:

THE NEED FOR BALANCE AND EQUITY IN FINANCIAL POLICIES

(Address of the Honorable JACOB H. GILBERT, Member of the Congress, 22d District, New York, before the 1967 annual convention of the Savings Association League of New York State, White Sulphur Springs, W. Va., September 5, 1967)

I am truly pleased to be here and to address this group which plays such an important role in the thrift industry of our great State of New York.

As a member of the House Ways and Means Committee, I have been in touch, from time to time, with some of you and your colleagues in the field of finance in the common effort to devise the best possible public policies. May I take this occasion to thank you for the assistance and advice you have rendered me in this regard.

MAKING ECONOMIC POLICY

First, I want to discuss briefly the results of our present, economic policy from my viewpoint as a Representative in Congress

and a member of the Ways and Means Committee. One personal belief to which I adhere very strongly is that true progress in this area can only be achieved through a partnership of Government and the private sector seeking a policy that is both balanced and equitable. Such a partnership and such a policy goal have contributed so much to the great economic gains of the American economy. These gains, while familiar to most, are impressive and thus worthy of some review by me here again.

In the past 3½ years of the Johnson Administration, our economy has grown at a rate of about 4.9% a year in real terms, and the value of our goods and services has increased by some $170 billion, more than the total gross national product of Italy and France combined; almost 8.7 million nonfarm jobs have been added, and unemployment has been cut by 1.1 million people; some four million people are estimated to have been lifted out of poverty; personal income, after taxes, has grown by 30%; corporate profits, after taxes, have increased 35%.

All of these gains have helped produce the longest postwar business upturn in U.S. history. This great economic accomplishment could not have been made except for a growing sense of partnership between American business and American Government striving for a balanced and equitable economic policy.

As an essential part of the total economic picture, the business of finance should likewise be developed by balanced and equitable policies. For these policies are like an investment portfolio. They are not something which we can acquire and then stow away in a safe and forget. They need watching and revising.

With this in mind, I would like to discuss today some areas where the need to achieve a policy of balance and equity is of great importance in the future.

THE TAX SURCHARGE

First and foremost of these areas from the standpoint of current national interest is the 10% tax surcharge that President Johnson has recommended. To be sure, there are a host of vital economic considerations that must be weighed by Congress before taking action on the President's proposal. I haven't committed myself yet on the proposal, but, in my mind a most important consideration—one which I know you here are very interested in—is what might happen in the financial markets without the tax increase.

One of the important questions posed in the Committee's present public hearings is whether or not the financial markets can tolerate the kind of demand for money they would receive in this current fiscal year from a Federal deficit of the size that would emerge without the proposed tax surcharge. Many of the witnesses have voiced the opinion that without enactment of the surcharge, market pressure would cause an interest rate escalation similar to, if not worse than, what occurred last year.

President Johnson voiced the Administrations rather solemn prediction on this specific point in his August 3 message to Congress; and I quote:

"Spiraling interest rates and severly tight money would return.

"What the Government does not raise through taxes, the Government must borrow.

"That additional borrowing would be imposed on financial markets already strained by the unprecedented demands of private borrowers and State and local governments. Long-term interest rates are already near their peaks of late last summer, and short-term rates have begun to climb.

"Without a tax increase, I am informed by Chairman Martin that nothing the Federal Reserve System could responsibly do could avoid the spiraling of interest rates.

"As interest rates rose, a starvation of mortgage funds would throw housing into a new depression before it had even recovered from the last one.

"Every other borrower—but most of all the small businessman and the farmer—would bear the cost of our fiscal irresponsibility."

One of the explicit goals of the Administration's surtax proposal is, therefore, to achieve measurable progress in bringing about equity and balance in the nation's financial markets—to enhance the prospects of more stable and sound conditions in such markets in the months that lie ahead.

Representatives of the savings and loan industry have already appeared before the Committee on Ways and Means in the public hearings now being conducted on the President's proposal. You may be assured that their testimony, which is generally favorable to the surtax, and that of all the other witnesses that come before the Committee in these current hearings will be given very careful consideration before any action is taken.

The Committee incidentally will complete its schedule of public hearings around the middle of this month. As you know, the legislative step that next follows will be executive sessions in the Committee in which the initial, very difficult legislative decisions on the surtax recommendation will have to be made.

FEDERAL MUTUAL SAVINGS BANKS

I would also like to discuss an item which is of particular interest to you—and that involves the chartering of Federal mutual savings banks. Some feel that a very good case can be made that such a move would be in the public interest. The argument is advanced that Federal mutual savings banks can potentially enhance the mobility of savings in response to investment needs, and can contribute to a stronger system of mutual thrift institutions.

But I am aware also that a question has been raised whether the present tax treatment of mutual savings banks is adequate.

Let me review the tax question for you.

Prior to the Revenue Act of 1962, mutual savings banks and savings and loan associations were virtually exempt from Federal income tax. By that Act, the Congress sought to correct the income tax provisions applicable to mutual thrift institutions generally. It provided a comprehensive set of rules governing the tax deductibility of additions to a reserve for bad debts and, with respect to savings and loan associations but not mutual savings banks, Congress enacted a detailed definitional requirement based on the nature of the lending functions of savings and loan associations.

As a result of that legislation, tax payments of $168 million from savings and loan associations and $32 million from mutual savings banks were anticipated. In fact, 1963 tax payments were $116 million from savings and loan associations and only $3 million from mutual savings banks. With respect to mutual savings banks, this situation has not improved significantly since 1963, I am told.

Some feel that the tax and chartering issues are naturally linked. If we are to broaden the powers of mutuals by allowing them Federal charter, perhaps concomitant legislative action should be considered to insure that these institutions carry, commensurately, a fair share of the tax burden compared with other financial institutions. A policy of equity, balance, and uniformity toward financial institutions would seem to me to necessitate such a consideration.

Thus far, I have discussed areas where balance and equity are necessary standards for future policy making. I would now like to turn to a final example, but one in which it appears such standards have been well applied. This involves the regulation of interest rates by Federal authorities.

As you all well remember, I'm sure, interest rates early last year began escalating sharply after December 1965 when the Federal Reserve Board allowed commercial banks to pay up to 5½% instead of 4½% on time deposits.

The repercussions of this move for financial institutions were great as a war for savings and time deposits developed. As 1966 progressed, the developing pressures suggested more clearly the need for a policy that would moderate the impact of rising interest rates and increased rate competition on thrift institutions, the mortgage market, and home building activity. It also became increasingly clear that Government authorities did not have the powers to maintain the competition for savings on a sound basis and avoid the excesses of unrestrained competition.

As a result, legislation was approved by the Congress and signed by President Johnson on September 21 that gave the Federal Reserve Board and the Federal Deposit Insurance Corporation temporary authority to set different rates on time deposits according to their size and other criteria. It also gave the Federal Home Loan Bank Board temporary authority to set interest ceilings on savings shares of insured savings and loan associations.

This legislation, by and large, contributed significantly to a moderation in the excessive competition for consumer savings and facilitated in an increased flow of funds into thrift institutions. In short, it worked. While I am aware of some limited competitive problems that developed, I believe the action illustrates the effectiveness of a balanced and equitable Government policy—both in terms of its aims and results—that should be sought.

In closing, may I emphasize that the task of carefully watching over our financial policies and their use is a task that every responsible group and every thoughtful citizen must share with the Government in partnership to realize the full potential of the American economy in the years ahead.

We know that financial policies, unless periodically reviewed and reformed, can become slipshod, develop grave defects, and can become obsolescent in a way which can both act as a barrier to sound economic growth and at the same time check popular faith and morale. We cannot let this happen.

The need to modernize financial policy in a balanced and equitable way is, of course, a long term concern. And I would hope and expect the thrift industry to play a vital and leading role in the achievement of this goal.

Thank you.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 13, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let not your heart be troubled; believe in God.—John 14: 1.

Let us pray.

O God, our Father, who are ever seeking to strengthen Thy children, make us strong as we face the arduous tasks of this day and as we carry the heavy responsibilities placed upon us—keeping freedom alive in our world and promoting justice and good will among our people. Give to us the faith which will enable us to meet fearlessly the forces of tyranny which threaten to engulf us.