Peterson, Owen K., FV3207663.
Popp, Robert A., FV3208770.
Porter, Charles D., FV3220148.
Prophitt, Gary L., FV3208406.
Przybelski, Richard T., FV3207217.
Puck, Kenneth A., FV3207670.
Rademacher, Richard D., FV3206990.
Rhine, Kimzey W., FV3208812.
Rohlof, Kent J., FV3204288.
Ross, Barry J., FV3207852.
Ross, Robert A., FV3208818.
Rowell, Robert W., FV3204289.
Rugh, Jack S., FV3207918.
Schumann, George M., FV3204290.
Schwanbeck, Richard L., FV3207422.
Scott, Francis G., FV3207574.
Scott, James D., Jr., FV3208773.
Semegran, Michael D., FV3204292.
Sheehan, Gerald W., FV3207088.
Siders, Stephen R., FV3207423.
Slossberg, Barry S., FV3208274.
Smith, Richard E., Jr., FV3209355.
Souk, James E., FV3207234.
Spivey, Robert P., FV3208321.
Stevens, William F., FV3220150.
Stevenson, Jesse R., FV3206499.
Stromm, Lawrence D., FV3207872.
Stump, Francis B., FV3204295.
Tantillo, Donald A., FV3204296.
Tempel, William P., FV3208784.
Thaten, Peter R., FV3207678.
Thompson, Lance L., FV3208837.
Torrey, Paul F., FV3209207.
Townsley, Emory, Jr., FV3204298.
Turner, Ronald G., FV3208348.
Wadsworth, Richard A., FV3207174.
Walters, John C., FV3208850.
Washburn, Carlos D., FV3204300.
Weaver, Peter C., FV3207974.
Wiley, James B., FV3208765.
Winnik, Laurence N., FV3207683.
Witt, Edwin D., Jr., FV3208285.
Yeager, James G., FV3206657.
Younger, John R., FV3204304.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 28, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thou shalt worship the Lord thy God and Him only shalt thou serve.—Matthew 4: 10.

Eternal God, our Father, from whom our spirits come, with whom they live and unto whom they go when life on earth is over—in the quiet of this moment we humbly lift our hearts unto Thee in prayer. We believe in Thee with all our minds—do Thou make Thyself real to us in all our hearts. Grant unto us a song on our lips in the morning, strength for the day, good will for one another, a steadfast loyalty to our country, courage to maintain high ideals in our national life, and a faith in Thee that gives us confidence and helps us overcome the evil in the world.

Give to us an inner spirit of hospitality to that which is high in life and send us forth masters of ourselves because we are mastered by Thee. By Thy spirit of truth alive within us may we be among that company of Thy children who lift the world and do not lean upon it, and who leave it a better place in which to live. In the Redeemer's name we pray. Amen.

THE JOURNAL

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

PERMISSION FOR SUBCOMMITTEE ON PUBLIC HEALTH OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Health of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today.

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

There was no objection.

INFORMATION CENTERS ON HOW TO AVOID THE DRAFT

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 remarks of the gentleman from Texas?

There was no objection.

Mr. POOL. Mr. Speaker, I think the Members of Congress are entitled to know of the latest activities by those who would sabotage our war effort and do what they can to prevent us from defeating the Communists in Vietnam. Throughout the United States, on campuses and in cities, the Students for Democratic Society, a radical leftwing anti-Vietnam war group, are setting up draft information centers to advise the young men of America how to avoid the draft.

Competent sources tell me the people who are mixed up in this conspiracy to help our enemies are the same ones who have long been recognized as leaders in the Black Nationalist movement, the W. E. B. Dubois Clubs, the Progressive Labor Movement, and a variety of Communist front organizations. A draft information center has been established in Dallas across the street from the Texas State Fair, and one on the Southern Methodist University campus. Another draft information center is being set up in downtown Dallas.

The culmination of the Students for Democratic Society efforts to undermine our draft laws will be focused during the week of October 16. At the end of this week of planned demonstrations, on October 21, they hope to shut down the Pentagon.

I have asked the House Committee on Un-American Activities to send investigators to Dallas and other cities. I also am asking for a full-scale investigation by this committee.

TO AUTHORIZE PRINTING OF ADDITIONAL COPIES OF REPORT TO ACCOMPANY H.R. 7977, POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967

Mr. DULSKI. Mr. Speaker, I offer a resolution (H. Res. 934) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 934

Resolved, That there shall be printed concurrently with the original press run, three thousand five hundred additional copies of the report to accompany H.R. 7977, the Postal Revenue and Federal Salary Act of 1967, for use by the Committee on Post Office and Civil Service, House of Representatives.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. FLYNT. 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. 283]

Adams	Feighan	Morgan
Anderson, Ill.	Ford, William D.	Moss
Ashley	Fountain	Murphy, N.Y.
Aspinall	Halpern	O'Hara, Mich.
Brademas	Hanna	O'Konski
Brock	Holland	Rarick
Broomfield	Hosmer	Rees
Button	Jarman	Reuss
Celler	Jones, Ala.	Selden
Clausen, Don H.	Kazen	Thomson, Wis.
Collier	McEwen	Utt
Corman	Mayne	Williams, Miss.
Dawson	Minshall	Willis
de la Garza	Mize	Wilson, Charles H.
Derwinski	Moorhead	Wolff

The SPEAKER. On this rollcall 387 Members have answered to their names, a quorum.

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

PROVIDING FOR CONSIDERATION OF H.R. 478, ESTABLISHING PROCEDURES TO RELIEVE DOMESTIC INDUSTRIES AND WORKERS INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, and on behalf of the able gentleman from Indiana [Mr. MADDEN], I call up House Resolution 925 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 925

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. 478) to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas. 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 Education and Labor, 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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Nebraska [Mr. MARTIN], pending which I yield myself such time as I may consume.

Mr. Speaker, this rule is an open rule providing 2 hours of general debate for the consideration of H.R. 478. That bill, which will be presented by the able gentleman from Pennsylvania [Mr. DENT], is for the purpose of authorizing and requiring in certain cases the Secretary of Labor to investigate whether particular products or groups of products are being brought into this country from countries where the labor conditions are such as to be contrary to the public policy of this country, the country where the market is, as defined by the Minimum Fair Labor Standards Act, which is a part of the law of our land.

The change that this bill would make from the present law authorizing the Secretary of Labor to make such investigation, is that such an investigation is compulsory on the part of the Secretary of Labor where either House of Congress resolves that such an investigation shall be made, or any employee organization requests such an investigation, or upon the application of any interested party, including any community organization such as a town, township, city or county. Of course, the Secretary of Labor may make such an investigation upon his own initiative. After the investigation is made, then the Secretary shall report to the President what his findings are under the investigation made. Then the President is authorized to take such action to remove such unsatisfactory conditions as are found, including the exercise of authority with respect to imposition of customs, or even to the imposition of quotas against a product or related group of products that might be found to be coming into this country under conditions from the country where they emanate, that are contrary to the public policy of this country as set out in the Fair Labor Standards Act.

Mr. ANDREWS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Speaker, what effect would this bill, if enacted into law, have on the textile situation, where employees overseas in certain countries are paid 13 cents an hour or 15 cents an hour, and the imports come into the United States and are offered in competition to products made by our domestic mills that pay $2 an hour for labor?

Mr. PEPPER. To meet a condition like that, I say to the able gentleman from Alabama, is the obvious purpose of this legislation. Heretofore, it has been upon the initiative of the Secretary of Labor that an investigation into conditions such as that might be made.

This bill would make it compulsory upon the Secretary to make those investigations if either House of Congress, or any labor organization, or any township or county or group, or others who had a legitimate interest in the matter called upon the Secretary to make such an investigation.

When the Secretary makes his report, if he should disclose to the President in his report such conditions as the able gentleman indicated, then the President would be empowered to—and I quote from the bill—"take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law."

The able gentleman from Pennsylvania [Mr. DENT], who presented this matter to the Rules Committee, said that authority would also include the power on the part of the President to impose a quota if he chose to do so against those products coming to this country emanating from such conditions in the exporting country.

Mr. ANDREWS of Alabama. In other words, if the bill should become law there would be some hope of help for the domestic textile workers?

Mr. PEPPER. It would give broad authority to the President if an unfavorable report relative to those conditions were made to the President, to protect the industries of this country.

Mr. ANDREWS of Alabama. I thank the gentleman.

Mr. PEPPER. I thank my able friend from Alabama.

Mr. MARTIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 925 provides for an open rule with 2 hours of debate on H.R. 478, a bill to amend the Fair Labor Standards Act of 1938.

This legislation is harmless legislation. It is worthless legislation. I am sorry that it is programed for today, because it will not accomplish one single thing, and I believe it is a waste of time for the House even to be considering this legislation.

It is not supported by the administration, nor by any department of the administration.

My guess is that it will not get anywhere, that it will not be enacted into law, because the other body will take no action on a bill that accomplishes absolutely nothing.

This bill provides for amendments to the Fair Labor Standards Act. Let me read the present law, which is currently in effect, in regard to this section of the bill where imports from foreign countries adversely affect American industries. Let me read the current law already in effect:

> Whenever the Secretary has reason to believe that in any industry under this Act the competition of foreign producers in United States markets or in markets abroad, or both, has resulted, or is likely to result, in increased unemployment in the United States, he *shall* undertake an investigation to gain full information with respect to the matter. If he determines such increased unemployment has in fact resulted, or is in fact likely to result, from such competition, he shall make a full and complete report of his findings and determinations to the President and to the Congress.

That is practically the same as is provided for in this bill, except that H.R. 478, in section 3 on page 3, goes a little farther, which could create some problems for the Secretary. Let me quote from the proposed legislation:

> Upon the request of the President, or upon resolution of either House of Congress, or upon application of the representative of any employee organization in a domestic industry, or upon application of *any interested party*, or upon his own motion, the Secretary of Labor shall promptly make an investigation and make a report thereon—

And so forth. In other words, this opens it up to any individual in the United States that he can request the Secretary to check into imports coming into this country which he feels are adversely affecting American industry and request a report. The Secretary under the terms of this legislation is required to proceed with making such a report.

Mr. Speaker, this is opening up a Pandora's box when any individual in the United States can come in and make such a request.

Let us see what the bill provides after the report is made by the Secretary. He sends it to the President. Again I quote from the bill:

> Upon receipt of the report of the Secretary containing a finding that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, the President may take such action as he deems appropriate—

The President "may." What are the two alternatives open to him? First of all to set up a quota on how much of these imports we have from this particular area coming into the United States so as to reduce them or, second, to increase the tariff on these products coming into the United States. You know that is not going to happen. That is why I reiterate that this is completely a worthless bill. It does not have the support of the administration or the departments downtown. It is not going to get any place. I am sorry that the House has to waste time this afternoon on legislation which is so inconsequential.

The SPEAKER. The time of the gentleman has expired.

Mr. MARTIN. Mr. Speaker, I yield myself 1 additional minute.

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

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

Mr. KYL. I thank the gentleman for yielding.

In looking through the report before us I am unable to find a statement from any department of the administration. Will the gentleman tell us what reports were made, from what departments, and what the departments recommended?

Mr. MARTIN. The Secretary of Labor was the only one from the administration who testified. This was last fall when I was still a member of the subcommittee. As I recall the testimony, he did not oppose the bill nor did he endorse it.

Mr. KYL. Is there any departmental report available?

Mr. MARTIN. There does not seem to be any in the report. The report contains many, many pages of excerpts or reprints of testimony given by those who appeared before the subcommittee.

Mr. KYL. Can the gentleman tell us if the Department of Agriculture or the Department of Commerce did offer either favorable or unfavorable reports to the committee?

Mr. MARTIN. So far as I know, they did not testify or furnish any reports.

Mr. KYL. Is the gentleman then saying that no reports were given to the committee from the administrative branches?

Mr. MARTIN. Outside of the Department of Labor, I do not know of any. I do not have any firsthand knowledge in that area, so you might more properly direct that question to some of the members of the subcommittee.

Mr. KYL. I thank the gentleman.

Mr. MARTIN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, today we have fresh evidence of the results that are flowing from the infamous action of President Johnson last January in committing this country to join the British in the attempted strangulation of little Rhodesia, whose crime against humanity is a desire for independence from British rule; a desire, if history is to be believed, that the Founding Fathers of this Nation had in their minds.

One of the consequences of this disgraceful so-called foreign policy, is that President Johnson and his State Department lackeys have placed us increasingly at the mercy of the Russian Government for vital supplies of chrome ore—ore that we previously purchased from the friendly Government of Rhodesia.

For the first 6 months of this year we have already paid the Russian Communists nearly as much for chrome ore as we paid to the Rhodesians during all of last year and because of our blind-leading-the-blind policy—shoved down our throats illegally by a President who chooses more and more to ignore the Congress of the United States—we are going to buy more and more chrome ore from the Russians, and at a sharply increased price.

This increase in price for Russian ore went into effect only last month—$6 to $7 a ton—because the rulers in the Kremlin quite naturally took advantage of the beautiful situation handed to them by the President of the United States when he cut us off from the high-grade Rhodesian ore we had been buying for years.

I hope that Members of the House are aware of the next step the Kremlin can take. The U.S.S.R. can simply refuse to sell us chrome ore—as they did during the Korean war—if the Communists decide to put the squeeze on us in Vietnam.

What I would like to have administration spokesmen tell all of us is why we get into these situations? Why we wind up trading with the most powerful Communist nation on earth at the expense of a friendly anti-Communist country like Rhodesia?

Even more galling is the fact that President Johnson took this action to appease the British, who have blithely continued to supply the North Vietnamese Communist government with a substantial amount of supplies to continue killing Americans.

Mr. Speaker, the Johnson administration has caused U.S. business to pay out millions of dollars to the Kremlin for chrome ore since the State Department, a year before the illegal sanctions went into effect last January, set about, Texas style, to "persuade" U.S. businessmen to stop buying from Rhodesia.

It is abundantly clear that the President has played us all into the hands of the Russians on this one and, at the same time, persecuted a friendly country whose greatest sin is a longing for independence from the leeching British—a longing many of us have been naive enough to believe was what this country is all about.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from South Carolina [Mr. WATSON].

Mr. WATSON. Mr. Speaker, I take this time to direct one or two questions to the gentleman from Florida [Mr. PEPPER], who is handling this rule. It is my opinion that, perhaps, the gentleman from Florida could more appropriately answer these questions as a member of the majority party.

At this time I am disturbed, as is the gentleman from Nebraska [Mr. MARTIN], that this bill will not accomplish the desired results. Nevertheless, I am going to support it, because it is my opinion that the gravity of the situation, especially as it relates to textiles, warrants some positive action in this field.

However, Mr. Speaker, in all candor, I am apprehensive that this bill may be a matter of window dressing. This, of course, I hope is not true. However, I do not want to hold out any false hope to the workers and domestic industrialists that this bill will restore jobs and solve the serious problem of foreign imports. We must, in my judgment, take some action on the bills relating to quantitative limits which some 160 Members of the House have introduced.

So this gives rise to this question: Is it anticipated by the gentleman and by others that, should the Secretary of Labor make a determination that these imports are having a serious adverse effect upon a particular industry, that upon his report being given to the President, the President will take positive action in trying to correct the situation?

Mr. PEPPER. The able gentleman from South Carolina knows, of course, that no one can speak for the President. Indeed, no one knows who will be the President from time to time, as these disclosures may be made. But what the Congress would do in this measure is to authorize the President to exercise very broad authority. The bill authorizes the President, as I stated a moment ago, and I quote from the bill, to "take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law."

The able gentleman from Pennsylvania, in presenting this matter to the Committee on Rules, interpreted that language to mean, for example, that the President could impose a quota upon quantities of those products that might be permitted to come into the country. So the Congress certainly would be vesting very broad authority in the President to act if the facts are properly disclosed to him by the Secretary of Labor.

Mr. WATSON. I thank the gentleman for his statement, and I want to commend my friend, the gentleman from Pennsylvania [Mr. DENT], the chairman of the subcommittee, for his efforts and those of the subcommittee, but I still have serious misgivings about this question because, as a practical matter, the President has authority now to do the very same thing and yet has not acted.

Does the President not have that authority?

Mr. PEPPER. Might we yield to the able gentleman from Pennsylvania to answer that question?

Mr. WATSON. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, I respect the opinion of the gentleman from South Carolina, and I want to say to him that we studied every possible avenue to get, as you might say, positive action on the part of the President, but in order to do that you would have to know the case that is going to come up before the President. You would have to predetermine the action he would take. Because, under this particular bill he has the same rights and prerogatives that he has now under the general tariff law, the only difference being that he must await the determination by the Tariff Commission, and he has sort of a restricted area in which he can operate, whereas under this particular bill we do not go beyond saying that he may use any of the avenues open to him under the customs law of the country. He can raise tariffs, or he can increase quotas. He can place, as he now can under the tariff law, embargoes. But which of these avenues the President would use would have to be determined by the President.

Mr. WATSON. The President may take action, or he can do nothing, as has been the case, and I am apprehensive that that will be the case in the future.

Again, let me underscore the fact that I want to do something about this serious problem, and I support this particular measure. But, let me ask this: The Secretary of Labor presently has the duty to make studies of particular commodities that might be adversely affected by foreign imports, but has the Secretary ever made such a study and reported it to the Congress?

Mr. DENT. I made an investigation of this, and as I understand he has made one study, and that was in connection with the jewelry industry.

Mr. WATSON. Was any relief granted?

Mr. DENT. No, because there could be no relief granted, because he was not compelled to. All he could do was make a report without a recommendation.

Mr. WATSON. According to the language of section 4(e) of the Fair Labor Standards Act, it states that the Secretary shall make a full and complete report, but the President does not have to act.

Mr. DENT. That is right.

Mr. WATSON. I believe that is mandatory. The thing is the President was not

obligated at that time to take action, and under the provisions of the bill we are now considering the President will still not be obligated to take action. In my belief we have done too much talking about this problem with little or no action. That's what we need today.

The SPEAKER. The time of the gentleman has expired.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. 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. 284]

Adams	Ford, William D.	Moorhead
Anderson, Ill.	Fountain	Morgan
Ashley	Green, Pa.	Morton
Aspinall	Halpern	Moss
Brademas	Heckler, Mass.	Murphy, N.Y.
Brock	Holland	O'Konski
Broomfield	Hosmer	Rarick
Button	Howard	Rees
Celler	Jacobs	Resnick
Clausen, Don H.	Jones, Ala.	Reuss
Collier	Kazen	Thomson, Wis.
Corman	Madden	Utt
Dawson	Mayne	Vander Jagt
de la Garza	Miller, Calif.	Williams, Miss.
Derwinski	Minshall	Willis
Feighan	Mize	Wolff

The SPEAKER. On this rollcall 385 Members have answered to their names, a quorum.

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

CONTINUING APPROPRIATIONS, 1968

Mr. MAHON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 853) making continuing appropriations for the fiscal year 1968, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

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

Mr. BOW. Mr. Speaker, reserving the right to object and in order that the membership may know the facts pertaining to this request, this proposed resolution is a continuing resolution, continuing until October 10, 1967, the same language as the resolution which we had under consideration upon yesterday.

Mr. Speaker, if we should be able to obtain a rule on this resolution today, and if the rule provides that it would be in order to offer any amendment ruling that it would be in order that such amendment could be offered, the joint resolution could be brought on the floor today from the Committee on Rules.

But I do object, Mr. Speaker, to the consideration of the bill in its present form today. Unless we can bring it in today so that it will make in order the ceiling on expenditures, I object.

The SPEAKER. Objection is heard.

CONCERNING CONTINUING APPROPRIATIONS

Mr. GERALD R. FORD. 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 Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I agree with the action taken by the distinguished gentleman from Ohio [Mr. Bow], but I do want to add to and supplement what he has said.

As I understand it, the Committee on Appropriations this morning reaffirmed the action which was taken previously by the Committee on Appropriations except, instead of making the date October 31, it provides that it should be October 10. As I understand it, it was a strictly partisan vote.

Now, this resolution from the Committee on Appropriations could and should go before the Committee on Rules today. I understand that members of the Committee on Rules are available for such a meeting. If the Committee on Rules would act this afternoon, the matter could come to the floor of the House today. We on our side would be very glad to cooperate providing that in the rule it was provided that the so-called Bow spending limitation would be germane. It is my understanding that the Bow substitute was voted down in the Committee on Appropriations this morning, or at least it was prevented from being considered in the Committee on Appropriations.

In light of the action taken yesterday by the House as a whole we feel very strongly that the House should have an opportunity itself to vote on a specific spending limitation, and as soon as possible.

Now, even if the rule was granted this afternoon, but was not brought up today, it could be laid over and brought up tomorrow in the regular course of events.

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

Mr. GERALD R. FORD. I would be very glad to yield to the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, if the rule is brought up today it would require a two-thirds vote. Now, of course, if the gentleman from Texas and the Members on this side should agree to bring it up on terms laid down by my distinguished friend from Ohio, it would amount to a capitulation of the leadership on the part of the Democratic Party, which is responsible for the legislative program.

In the second place, I cannot understand, frankly, why my friends on the Republican side cannot give the Committee on Appropriations a few days, 10 days, in which to look over this entire operation and discuss it with the gentleman on the other side of the aisle. As I understand it, the Bow resolution arbitrarily picks the figure of $5 billion out of the air and says, "You take it or you leave it on this basis," without having a critical analysis of the various programs involved.

Mr. Speaker, it seems to me that our friends would be contributing to good government if they should decide now to take a few days to let the committee take a look at this matter. Perhaps $5 billion would be the figure or, if not, some other figure, based upon at least a summary survey which the committee might make between now and that time, might be agreed upon.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GERALD R. FORD. Mr. Speaker, I do not believe the majority party leadership would be capitulating to the other side of the House, the Republican side. I believe the majority party leadership would be carrying out the mandate of the vote that was taken yesterday whereby a majority of the Members of the House of Representatives, by a vote of 202 to 181, rather clearly expressed themselves for a spending limitation.

I think that we as a body should be guided by that majority vote.

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

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. The gentleman is really not dealing with the issue now before the House.

The issue yesterday was a straight motion to recommit a 30-day extension resolution. The issue now is a 10-day extension. The only reason for the 10-day extension is to try to give the Committee on Appropriations an opportunity to take a look and see how much they can do in a more realistic and specific fashion. I think the gentleman realizes and will admit that the circumstances are a little bit different. Yesterday there was only the straight motion to recommit and at issue now, as I see it, is the Bow resolution.

Mr. GERALD R. FORD. I think the issue yesterday, despite the fact that it was a straight motion, was a clearcut issue. The House itself was voting on whether or not there should be a spending limitation and it was a clear directive to the Committee on Appropriations.

I am amazed that the Committee on Appropriations would not respond favorably to an expression of the will of the House. It is rather amazing to me that at least a majority of the Committee on Appropriations would not be responsive to the rather substantial majority of the House taking the action they did on yesterday.

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

Mr. GERALD R. FORD. Of course, I yield to the gentleman.

Mr. MAHON. The vote yesterday was on whether or not the House would pass the joint resolution continuing appropriations for 31 days. The House determined that it did not want to take that action so the Committee on Appropria-

tions, trying to accommodate itself to the will of the House, has reported out a resolution calling for 10 days, in which to give the committee an opportunity to examine further the situation in order that we may come forward with the best recommendations that may be possible. We expect to make some rescissions and to take other actions.

But what the gentleman had proposed in the Bow amendment is not, of course, germane to the extension—to the continuing resolution. The amendment of the gentleman from Ohio simply says that the Congress demands that the President, from funds which we have appropriated, rescind $5 billion and that the President would decide where the money would come from and we would be completely out of the picture. We would have abdicated to him the decision as to the $5 billion cut.

The attitude of the majority of the Committee on Appropriations is that if we want to make this cut of $5 billion, we should have the courage and the forthrightness to tell the President the particulars of where the $5 billion should be applied. This is the issue.

The other issue is 10 days versus the 3-day question. So it does seem that the leadership on the minority side would give us 10 days in which to consider the whole problem and determine what recommendations should then be made to the House. That does not seem to be unreasonable to me.

Mr. GERALD R. FORD. The point I would make is that a majority of the Members of the House worked its will yesterday. The Committee on Appropriations, or a majority of that committee, did not respond to the expressed views of the majority of the House as indicated by the vote. The committee on appropriations has now come back with another alternative. It seems to me that this ought to be brought to the floor of the House as quickly as possible. The gentleman from Texas has asked unanimous consent—but that is an abnormal procedure as the gentleman well knows. The matter should go to the Committee on Rules. A rule could be granted today with floor action tomorrow.

I would like to ask my friend, the gentleman from Texas. Has he asked the Committee on Rules for a rule?

Mr. MAHON. I have not asked the Committee on Rules for a rule. I think, insofar as I can remember during my service here, we have never had a rule on a continuing resolution; we have, I believe, always been able to proceed under unanimous consent. So that is the way we proceeded yesterday—under unanimous consent that was secured last week. So what we did today was to ask to follow the same technique that the House followed yesterday. The gentleman seems to be pleased with the results of yesterday so why would he not be pleased to follow the same procedure that was followed yesterday and bring this up under unanimous consent, which is the way that it was brought up on yesterday? What could be fairer than that?

Mr. GERALD R. FORD. Of course, I am disappointed the chairman of the committee has not asked the chairman of the Rules Committee for a hearing. The circumstances are different today than they have been at any time in my history here, almost 19 years. We are faced with a $25 or $30 billion deficit in this fiscal year. Therefore we ought to move or act differently than we have heretofore.

I urge very strongly that the chairman of the Committee on Appropriations immediately, this afternoon, ask for a hearing before the Rules Committee so that that committee can perform its function. I could assure the gentleman from Texas and the majority party members on the Rules Committee that our five members out of the 15 will be there this afternoon. I think that is the proper and orderly way to proceed. I urge my friend from Texas to follow that procedure.

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

Mr. GERALD R. FORD. I am glad to yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I have no recourse now, but it was considered that we should follow the traditional pattern and ask unanimous consent first, as we did before. But now that that is not satisfactory to the minority, and we are being blocked in doing the traditional and customary thing in settling these matters, I shall, of course, appeal to the Rules Committee for a rule.

Mr. GERALD R. FORD. Will the gentleman from Texas ask for a hearing this afternoon?

Mr. MAHON. I will ask for a hearing as soon as the Rules Committee is ready to hear us, yes.

Mr. GERALD R. FORD. The distinguished gentleman from Mississippi, the chairman of the Rules Committee is on the floor. I think it could be worked out right now so the Committee on Rules could meet this afternoon and we could get out a rule today. It could be brought up tomorrow. The House ought to work its will tomorrow as we did yesterday. I think we must meet and consider the matter tomorrow, and if we get a rule today, we can do so.

Mr. MAHON. My information is that Members on both sides of the aisle have made long-range plans on important commitments, official and otherwise, for tomorrow and it will be difficult to have the membership present, perhaps. I do not know what the facts are. That is a matter for the leadership to determine.

Mr. GERALD R. FORD. I fully concede that Members may have made commitments for tomorrow, but the circumstances are so unusual and so urgent that it seems to me that, despite any commitments, we ought to follow the procedure that I have outlined. The Rules Committee ought to meet today at the request of the gentleman from Texas, the committee should act affirmatively, and then the matter be brought up on the floor of the House tomorrow so the majority of the Members of the House tomorrow can make a decision. This is something we all ought to decide and we ought to do it tomorrow under the procedures that are established.

Mr. Speaker, may I make one further observation. Some people may have the feeling, some may have an apprehension that if we do not act before the end of the week which is the end of the month, all kinds of dire things are going to take place in the Federal Government. I would like to ask the chairman of the Committee on Appropriations how many appropriation bills have been enacted into law.

Mr. MAHON. We have enacted into law six appropriation bills at this session—four relating to fiscal 1968. We have passed 14 through the House—12 relating to 1968. But the remaining bills are either in conference or are still in the other body. Of course, three bills are still in our committee, awaiting legislative authorizations.

Mr. GERALD R. FORD. Could you tell me the ones for the fiscal year 1968 that are enacted into law?

Mr. MAHON. Yes. The legislative appropriation bill, the Interior appropriation bill, and the Post Office-Treasury appropriation bill. Of course, there was the big Defense bill of about $70 billion.

Mr. GERALD R. FORD. It is my understanding that although legislative action on the Department of Defense appropriation bill has been completed, the President has not yet signed it. Is that correct?

Mr. MAHON. He had not signed it last Saturday. He may have signed it by this time. I do not have that information.

Mr. GERALD R. FORD. So out of 14 regular appropriation bills, four have been enacted into law, one of which legislative action has been completed, and which the President will sign in the next day or two. Is that correct?

Mr. MAHON. The gentleman is correct. Also independent offices and Labor, and Health, Education, and Welfare have passed the other body, and Agriculture has passed the other body.

Mr. GERALD R. FORD. Mr. Speaker, am I further correct that on any appropriation bills that are enacted into law, the continuing resolution has no impact?

Mr. MAHON. Mr. Speaker, the continuing resolution has no impact, but the Bow amendment would have an impact, because it would give the President the liberty to make reductions in any bill.

Mr. GERALD R. FORD. That is, on those five appropriation bills, including the Defense appropriation bill, if there is no continuing resolution before the end of this calendar month, those departments affected by those appropriation bills will continue on in their ordinary way without any handicap whatsoever. Is that correct?

Mr. MAHON. The gentleman is correct.

Mr. GERALD R. FORD. Am I further correct that none of the trust funds, such as social security, are affected by the lack of a continuing resolution? That is my understanding, but I would like to hear it confirmed by the gentleman from Texas.

Mr. MAHON. I am not quite clear there; I don't have every detail at my fingertips, but I am advised that social security checks would not be affected. I think that there may have been one or two instances in the past when we have not passed a continuing resolution until the time had run for a day or two. I do not think it would be fatal to the oper-

ation of the Government if there should be some delay of a day or so; but, of course, it would be far preferable if we could take action today, but of course there has been an objection.

Mr. GERALD R. FORD. As I understood the gentleman from Texas, he said on two occasions in the past the Congress has not acted on a continuing resolution until after the previous continuing resolution had expired?

Mr. MAHON. I believe that is correct.

Mr. GERALD R. FORD. If I can remember his words correctly, the gentleman said there had been a failure of the Congress to act twice in the past on continuing resolutions which indicates that there is no serious consequence that will result from a lack of such action before September 30th. Did the gentleman say it would not be fatal? Is that what the gentleman said?

Mr. MAHON. I did not say it in exactly those words.

Mr. GERALD R. FORD. But that is what the gentleman intended?

Mr. MAHON. I do think it would be preferable to pass the continuing resolution, but we have got into this legislative snarl, and under the circumstances it may be we will have to go over until Monday or Tuesday of next week.

CONGRESS SHOULD NOT SURRENDER ITS PREROGATIVES

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I think we ought to realize just exactly where we are and what we have done here. As I understand the position of the distinguished gentleman from Ohio and the distinguished gentleman from Michigan, they are trying just as fast as they can to surrender to the President of the United States the right to make a $5 billion budget cut—and in turn to take that prerogative away from the Congress.

I think that is the clear implication of what they have undertaken to do. I personally think the country would think it wise for the House and the Committee on Appropriations to take 10 days to look over this matter, and to give some Republican Members of the House, who are so much in favor of this proposition, the opportunity of appearing and telling the committee just how and where these cuts should be made. When these cuts are made, the people who suffer from them deserve to know the source of their suffering.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to my friend, the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Speaker, would the gentleman from Oklahoma tell us what we can expect as to the schedule, now that apparently the decision has been made not to go to the Rules Committee today to get a rule for floor action tomorrow?

Mr. ALBERT. I am not sure the decision has been made, I will respond to the gentleman. I am not in a position to say that decision has been made. We do have other legislative business which will undoubtedly occupy us today and a part of tomorrow.

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

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, I read in the paper the other day that one of the political candidates called the President "a political ham." I do not know if he is as political as I am or not, but if he is, he must be able to get a copy of yesterday's RECORD. Certainly I would be able to read through the vote for this, and I would know where to make these cuts if I were the President.

RULES COMMITTEE PROCEDURES

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. COLMER. Mr. Speaker, I take this time merely because the distinguished minority leader made reference to me personally in my capacity as chairman of the Rules Committee. I wish to advise the gentleman and the House that under the procedure which has been followed traditionally—at least for the 20-odd years I have been on that committee—the committee does not meet to consider rules until the chairman, and usually the ranking minority member, requests such a rule.

So it is not a matter at this time for the Rules Committee.

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

Mr. COLMER. I yield to the gentleman from Texas.

Mr. MAHON. I should like to say that insofar as I am aware the gentleman is entirely correct as to procedure—certainly as to the practice for the last several years, to my knowledge.

A letter was prepared for my signature, requesting a rule, but I declined to sign the letter until I had made an effort to bring this up under unanimous consent, which is the customary way of handling the matter. I have had the letter brought to the floor of the House, and since the gentleman has been on his feet I have signed it, now that we have failed to get unanimous consent to take up the resolution in the usual way.

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

Mr. COLMER. In just a moment.

It is also traditionally the custom of the committee to suit the convenience of those seeking the rule, so when the gentleman advises the committee he wants to be heard on this matter I am sure the committee will give it proper consideration.

Mr. BOW. Mr. Speaker, will the gentleman from Mississippi yield?

Mr. COLMER. I yield to my friend, if I have any time remaining.

The SPEAKER. The time of the gentleman from Mississippi has expired.

CONTEMPLATED PLANS FOR HOUSE PROGRAM

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ARENDS. Mr. Speaker, I should like to ask the majority leader if under the contemplated plans, with the rule being requested and the rule probably or possibly being granted, since it would simply be the Mahon resolution, is it contemplated there will be action on this tomorrow, or does the gentleman think there is a possibility it might go over until next week?

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

Mr. ARENDS. I yield to the majority leader.

Mr. ALBERT. I am not able to answer that question and will not be able to answer it until the Rules Committee has acted after the request has been made.

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

Mr. ARENDS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to thank the distinguished gentleman for yielding.

A moment ago it was suggested by a Member of this House that no doubt the President read the CONGRESSIONAL RECORD of yesterday, and if he were President, he knows what he would do, in effect, as a reprisal against those who voted to recommit the continuing resolution on yesterday. For fear of any misunderstanding, let me state for the RECORD that in the event the President did not read the CONGRESSIONAL RECORD of yesterday, I hope he reads the CONGRESSIONAL RECORD of today.

I voted to recommit the bill yesterday, and I have no apologies to offer for my action. I sincerely believe we should make some reductions in the ever-increasing, unnecessary expenditures. However, at this time I believe it would be in order to grant a continuing resolution for a period of 10 days in order to give the subcommittee chairmen on appropriations and the chairman of the full Committee on Appropriations an opportunity to find places where specific reductions can be made, not only in new authorizations but also to rescind a reasonable amount of funds appropriated in prior years.

May I repeat, I have no apologies to offer to anyone for my vote to recommit the continuing appropriation bill on yesterday.

May I thank the distinguished gentleman again for yielding so that I could indicate that I think for myself. If the time should ever come that the people downtown have to do my thinking, then I will get out of the Congress.

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

Mr. ARENDS. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Speaker, the gentleman from Mississippi, the chairman of the Rules Committee, has said it was the usual practice for the chairman of a committee and the ranking minority member to request a hearing. The chairman of the committee did not give me an opportunity to join with him, but at this time I should like to say I request a hearing from the Rules Committee today, so that we may proceed.

PROCEDURE RELATING TO CONTINUING APPROPRIATIONS, 1968

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MAHON. Mr. Speaker, in view of the situation confronting the House and the extreme gravity that would be involved if we were to surrender to the President the power of the purse by mandating him to reduce or rescind appropriations in the amount of $5 billion, thus relinquishing all control over such action by the House of Representatives, I shall ask the Committee on Rules to give the Committee on Appropriations an opportunity to appear on Monday next, at a suitable time, and request a rule so that the continuing resolution can be brought before the House next Tuesday. I think this would be fair to all Members concerned in view of the facts involved.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I will be glad to yield to the minority leader.

Mr. GERALD R. FORD. This is the time schedule that he, as chairman of the Committee on Appropriations, is recommending to the House as a whole?

Mr. MAHON. I am taking full responsibility for the course of action, having been forced to do so because of my inability to get unanimous consent.

ACQUISITION OF CAREER STATUS BY TEMPORARY GOVERNMENT EMPLOYEES—CONFERENCE REPORT

Mr. HENDERSON. Mr. Speaker, I call up the conference report on the bill (S. 1320) to provide for the acquisition of career status by certain temporary employees of the Federal Government, 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 North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 718)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1320) to provide for the acquisition of career status by certain temporary employees of the Federal Government, 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 Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That (a) subchapter I of chapter 33 of title 5, United States Code, is amended by inserting immediately after section 3304 the following new section:

"§ 3304a. Competitive service; career appointment after 3 years' temporary service

"(a) An individual serving in a position in the competitive service under an indefinite appointment or a temporary appointment pending establishment of a register (other than an individual serving under an overseas limited appointment, in the postal field service, or in GS-16, GS-17, or GS-18) acquires competitive status and is entitled to have his appointment converted to a career appointment, without condition, when—

"(1) he completes, without break in service of more than 30 days, a total of at least 3 years of service in such a position;

"(2) he passes a suitable noncompetitive examination;

"(3) the appointing authority (A) recommends to the Civil Service Commission that the appointment of the individual be converted to a career appointment and (B) certifies to the Commission that the work performance of the individual for the past 12 months has been satisfactory; and

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

"(b) The employing agency shall terminate the appointment of an individual serving in a position in the competitive service under an indefinite or temporary appointment described in subsection (a) of this section, not later than 90 days after he has completed the three-year period referred to in subsection (a)(1) of this section, if, prior to the close of such 90-day period, such individual has not met the requirements and conditions of subparagraphs (2) to (4), inclusive, of subsection (a) of this section.

"(c) In computing years of service under subsection (a)(1) of this section for an individual who leaves a position in the competitive service to enter the armed forces and is reemployed in such a position within 120 days after separation under honorable conditions, the period from the date he leaves his position to the date he is reemployed is included.

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

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

"3304a. Competitive service; career appointment after 3 years' temporary service"

SEC. 2. (a) Chapter 43 of title 39, United States Code, is amended by inserting immediately after section 3302 the following new section:

"§ 3303. Career appointment after 3 years' temporary service

"(a) Subject to section 3302 of this title, an employee serving in a position in the competitive service in the postal field service under a temporary appointment without a definite time limitation (other than an employee serving in a position of postmaster or rural carrier) acquires competitive status and is entitled to have his appointment converted to a career appointment by the Postmaster General when—

"(1) he completes at least three years of service in such a position during each of which he has been paid for at least 700 hours of work;

"(2) he passes a suitable noncompetitive examination;

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

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

"(b) In computing years of service under subsection (a)(1) of this section for an individual who leaves a position in the competitive service in the postal field service to enter the armed forces and is reemployed in such a position within 120 days after separation under honorable conditions, the period from the date he leaves his position to the date he is reemployed is included.

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

(b) The analysis of chapter 43 of title 39, United States Code, is amended by adding immediately below item 3302 the following new item:

"3303. Career appointment after 3 years' temporary service."

SEC. 3. The first sentence of section 1310(a) of the Supplemental Appropriation Act, 1952, as amended (68 Stat. 1115), is amended to read as follows:

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

SEC. 4. (a) This section and section 3 of this Act shall become effective on the date of enactment of this Act.

(b) Subject to subsection (c) of this section, the first section and section 2 of this Act shall become effective on the one hundred and twentieth day following the date of enactment of this Act.

(c) For the purposes of the application of section 3304a(b) of title 5, United States Code, as enacted by this Act, in the case of an individual who, prior to the effective date prescribed by subsection (b) of this section, shall have completed the three-year period referred to in such section 3304a(b), such individual shall be deemed to have completed such three-year period on such effective date.

And the House agree to the same.

DAVID N. HENDERSON,
CHAS. H. WILSON,
RICHARD WHITE,
H. R. GROSS,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

MIKE MONRONEY,
RALPH YARBOROUGH,
JENNINGS RANDOLPH,
FRANK CARLSON,
HIRAM FONG,
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 amendment of the House to the bill (S. 1320) to provide for the acquisition of career status by certain

temporary employees of the Federal Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The committee of conference recommends that the Senate recede from its disagreement to the House amendment with an amendment which is a substitute for both the text of the Senate bill and the text of the House amendment and that the House agree to the same.

Both the Senate bill and the House amendment provided, in basically the same manner and in substantially similar language, for the acquisition of career status by certain employees in the competitive civil service, including postal field service employees, serving under indefinite appointments and temporary appointments pending establishment of registers and, in addition, amended existing law pertaining to the making of initial appointments, within and outside the competitive civil service, on other than a permanent basis. Except for technical and minor drafting changes not involving differences in policy, the differences between the House amendment and the proposed conference substitute are discussed below.

ACQUISITION OF CAREER STATUS BY TEMPORARY AND INDEFINITE EMPLOYEES (OTHER THAN POSTAL FIELD SERVICE EMPLOYEES) IN THE COMPETITIVE CIVIL SERVICE

The House amendment provided for the acquisition of competitive status by employees in the competitive civil service outside the postal field service, serving under indefinite appointments and temporary appointments pending establishment of registers, and for the conversion of their appointments to career appointments (except employees serving in GS–16, GS–17, and GS–18 of the General Schedule in section 5332 of title 5, United States Code). This benefit is conferred, under the House amendment, when—

(1) the employee completes, without break in service of more than 30 days, a total of at least 3 years of service in his position;

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

(3) the appointing authority recommends to the United States Civil Service Commission that the appointment be converted to a career appointment and certifies to the Commission that the work performance of the employee for the past 12 months has been satisfactory; and

(4) the employee meets current qualification requirements of the Commission and is otherwise eligible for career appointment.

The conference substitute is similar to the House amendment with respect to the acquisition of competitive status and conversion to career appointment of employees in the competitive civil service (other than postal field service employees) except for the following changes which are contained in the bill passed by the Senate.

First, the conference substitute adds the additional specific exclusion contained in the Senate version of employees serving under overseas limited appointments.

Second, the conference substitute changes the requirement of the House amendment that the employee pass a suitable "unassembled", noncompetitive examination to a requirement that the employee pass a suitable noncompetitive examination, thus eliminating the requirement of the House amendment that the examination in every case be "unassembled" while permitting the use of the unassembled type of examination in cases deemed appropriate (as permitted by the Senate version).

Third, the conference substitute eliminates the provision of the House amendment to the effect that the qualification requirements of the Civil Service Commission which the employee must meet shall in every case be "current", and, in lieu thereof, incorporates the parallel provision of the Senate version to the effect that the employee must meet qualification requirements of the Commission which are deemed appropriate (whether or not technically "current" in every case).

ACQUISITION OF CAREER STATUS BY POSTAL FIELD SERVICE EMPLOYEES UNDER TEMPORARY APPOINTMENTS WITHOUT DEFINITE TIME LIMITATIONS IN THE COMPETITIVE CIVIL SERVICE

The House amendment also provided for the acquisition of competitive status by postal field service employees in the competitive civil service, serving under temporary appointments without definite time limitations, and for the conversion of their appointments to career appointments (except employees serving in the positions of postmaster and rural carrier). This benefit is conferred, under the House amendment, when—

(1) The employee completes, without break in the service of more than 30 days, at least 3 years of service in this position during each of which he has been paid for at least 700 hours of work;

(2) He passes a suitable unassembled, noncompetitive examination;

(3) The appointing authority recommends to the United States Civil Service Commission that the appointment be converted to a career appointment and certifies to the Commission that the work performance of the employee for the past 12 months has been satisfactory and that straight time hours as determined by the past 12 months' experience of career substitutes on the rolls on the date of the certification will not be reduced solely because of the conversion; and

(4) The employee meets current qualification requirements of the Commission and is otherwise eligible for career appointment.

In addition, the House amendment provided, in effect, that section 3302 of title 39, United States Code, which established the rule that not more than one career substitute employee may be appointed for each five regular employees (or fraction thereof) in certain categories of postal field service positions, would not apply with respect to the operation of the House amendment if the straight time hours of work of career substitute employees on the rolls on the date of certification of any conversion to career status would not be reduced solely because of the conversion.

The conference substitute is similar to the House amendment with respect to the acquisition of competitive status and conversion to career appointment of postal field service employees in the competitive civil service, except for the following changes.

First, the conference substitute eliminates the requirement in the House amendment that the required 3 years of service of postal field service employees be without break in service of more than 30 days as inconsistent with the objectives of this legislation insofar as it pertains to the postal field service, thus adopting the policy of the Senate bill in this respect.

Second, the conference substitute changes the requirement of the House amendment that the postal employee pass a suitable "unassembled", noncompetitive examination to a requirement that the postal employee pass a suitable non-competitive examination, thus eliminating the requirement of the House amendment that the examination in every case be "unassembled" while permitting the use of the unassembled type of examination in cases deemed appropriate (as permitted by the Senate version).

Third, the conference substitute eliminates the provisions of the House amendment which make the above-discussed 5 to 1 ratio of regular employees to career substitute employees in the postal field service inapplicable with respect to the conversion of all postal field service employees to career status and inserts, in lieu of such provisions, the language of the Senate version which makes all such conversions of postal field service employees subject to the 5 to 1 ratio provided by section 3302 of title 39, United States Code. Under the conference substitute, as in the Senate version, a conversion of a postal field service employee to career status would not be made if the 5 to 1 ratio would be violated by the conversion but would be held in abeyance or "stockpiled" until such time as the 5 to 1 ratio would not be violated by the conversion. In this connection, the conference substitute eliminates, as unnecessary and inappropriate in view of the retention of the applicability of the 5 to 1 ratio, the requirement of the House amendment that the appointing authority certify to the Civil Service Commission that straight time hours of career substitutes will not be reduced by any conversions of postal field service employees to career status.

Fourth, the conference substitute eliminates the provision of the House amendment to the effect that the qualification requirements of the Civil Service Commission which the postal field service employee must meet shall in every case be "current", and, in lieu thereof, incorporates the parallel provision of the Senate version to the effect that the employee must meet qualification requirements of the Commission which are deemed appropriate (whether or not technically "current" in every case).

In addition, the conference substitute contains a provision similar to a provision of the Senate version which vests specifically in the Postmaster General the authority to convert the appointment of the postal field service employee to a career appointment.

REVISION OF EXISTING LAW PERTAINING TO THE MAKING OF INITIAL APPOINTMENTS WITHIN AND OUTSIDE THE COMPETITIVE CIVIL SERVICE ON OTHER THAN A PERMANENT BASIS

The first sentence of section 1310(a) of the Supplemental Appropriation Act, 1952, as amended (68 Stat. 1115; Note to section 3101 of title 5, United States Code, 1964 edition, supplement II) places a statutory ceiling on the number of permanent Federal employees in the competitive civil service which is now set at 110 percent of the total number of permanent employees in the competitive and excepted service on September 1, 1950, not including the postal field service.

Both the Senate bill and the House amendment eliminate this obsolete 110-percent ceiling. The House amendment provided that the United States Civil Service Commission and the respective executive authorities shall make full use of their authority to require that initial appointments to positions in and outside the competitive civil service shall be made on other than a permanent basis. The Senate version contained similar language, except that, in addition, the Senate version explicitly stated that the purpose of this requirement was "to limit the number of permanent employees to that required for the efficiency of the Federal civil service". The conference substitute adopts these provisions of the Senate version, which are identical in purpose and effect to the parallel provisions of the House amendment, as an explicit statement of the purpose and effect of the Senate version, the House amendment, and the conference substitute with respect to the removal of the obsolete 110 percent ceiling and to avoid any implication that initial appointments on a permanent basis cannot be made at all under the conference substitute.

DAVID N. HENDERSON,
CHAS. H. WILSON,
RICHARD WHITE,
H. R. GROSS,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

Mr. HENDERSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HENDERSON. Mr. Speaker, the need for this legislation was developed through an investigation made by the Manpower and Civil Service Subcommittee of our Post Office and Civil Service Committee, with the cooperation of the Civil Service Commission. The investigation disclosed that some 19,000 Federal employees have been working in permanent Government positions but have been denied career status through no fault of their own.

S. 1320, with Post Office and Civil Service Committee amendments, passed the House July 11, 1967, by voice vote.

The committee of conference on the disagreeing votes of the two Houses worked out a compromise of the comparatively minor differences and the conference agreement represents legislation that will carry out the intention of the House to correct the situation disclosed by our subcommittee investigation.

The Senate version excluded "overseas limited appointments" from coverage of the bill—a provision not in the House version—and the conferees agreed on this exclusion, which is reasonable and consistent with the overall purposes of the legislation.

The conferees agreed on the House provision to grant properly qualified employees career status after 3 years of satisfactory service, in lieu of the Senate's requirement for 4 years of service plus certification that the individual's work is "equivalent" to work of employees appointed through the regular competitive procedure.

Both Senate and House versions required the employees to take "suitable noncompetitive examinations" to qualify for career status, but the House further defined this as an unassembled noncompetitive examination. The conferees agreed to remove the "unassembled" definition, in order that the noncompetitive examinations which are given may be properly adapted to suit all of the individual positions concerned.

With respect to the postal employees who otherwise qualify, the Senate bill made appropriate provision by amendment to title 39, United States Code, commonly referred to as the postal code, whereas the House bill coupled both postal and other employees together to accomplish the same objective in title 5, United States Code. The conference agreement makes the appropriate changes in title 39 for postal employees.

It is to be noted that the conference agreement maintains in effect the historic ratio of regular postal employees to substitute postal employees at 5 to 1.

Since one result of this legislation will be that employees holding temporary appointments in permanent positions who do not qualify for conversion to career appointments will be separated, the conference agreement adopts the Senate provision for a 240-day grace period before any such nonqualifying employee is automatically separated.

Both the House and the Senate bill proposed revisions of existing law pertaining to the making of initial appointments within and outside the competitive civil service on other than a permanent basis. The existing law is contained in the first sentence of section 1310(a) of the Supplemental Appropriation Act, 1952—annotated to section 3101 of title 5, United States Code. That sentence places a statutory ceiling on the number of permanent employees in the competitive civil service, now set at 110 percent of the total number of permanent employees on September 1, 1950, excluding the Postal Field Service.

The Senate bill, in addition to the language of the House bill which eliminates the obsolete 110-percent ceiling, explicitly states that the purpose of that ceiling was "to limit the number of permanent employees to that required for the efficiency of the Federal civil service." The conference agreement adopts these additional Senate provisions, which are deemed to be desirable explanatory material with respect to the identical purposes and effects of both the House and the Senate revisions of the existing law.

Mr. Speaker, the conference agreement represents an excellent and long-needed measure. It is in the best interests of the Government, in accord with long-standing congressional policy that permanent career positions in the Government should be filled by qualified career appointees, and fair to the employees who have earned and deserve career appointments in recognition of their substantial terms of Government service.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967—CONFERENCE REPORT

Mr. FALLON. Mr. Speaker, I call up the conference report on the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, 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 pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (REPT. NO. 706)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Title I of the Act is amended by

inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United State Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand six hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare, is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "Land Stabilization, Conservation, and Erosion Control", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Section 204 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations, which schools, institutions, and organizations have the demonstrated capability to perform such research, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $2,000,000 of the funds

authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "Mining Area Restoration", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided*, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided*, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before December 31, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the devel-

opment of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, or implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $11,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $170,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, provide funds pursuant to specific recommendations, to each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before December 31, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
JOSEPH DAVIES TYDINGS,
W. B. SPONG,
JOHN SHERMAN COOPER,
LEN B. JORDAN,
HOWARD H. BAKER, Jr.,
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 House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the text of the bill strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for incidental changes made necessary by reason of agreements reached by the conferees and minor and clarifying changes.

TITLE I—AMENDMENT TO APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

References to "Act" and "section" in the portion of this statement which relates to title I of the bill are references to the Appalachian Regional Development Act of 1965 and to sections of that Act.

Section 201. Appalachian highway program

The Senate bill amended section 201 of the Act to increase the maximum authorized mileage for the local access roads program from 1,000 to 2,000 miles. The House amendment reduced this to 1,200 miles. The conference substitute authorizes 1,600 miles for access roads.

Section 202. Demonstration health program

Sections 202(c) and 202(d) of the Act, as they appear in the Senate bill, prescribe certain limitations on grants for operating demonstration health projects, authorize planning grants, and provide for funds to support the Commission's Health Advisory Committee. The House amendment did not contain these subsections. The conference substitute contains these subsections as they appear in the Senate bill but with two modifications: First, operating grants may be made only to facilities which are publicly owned, or owned by a public or private nonprofit organization, which are not operated for profit. Second, operating grants may not be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

Section 204. Timber development organizations

The Senate bill authorized $4 million for a new program of hardwood research, and eliminated the specific authorization of funds in existing law for the timber development organization program.

The House amendment authorized $1 million to continue the timber development organization program, and eliminated the proposed new research program.

The conference substitute adopts the provisions of the Senate bill with three changes: First, the Secretary of Agriculture in making grants or contracts to carry out the research program must provide funds first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations. Second, such schools, institutions, and organizations must have the demonstrated capability to perform the research. Third, the authorization is reduced to $2 million.

Section 214. Supplements to Federal grant-in-aid programs

(1) Under existing law, supplemental grants may be made only for appropriate grant-in-aid programs enacted prior to March 9, 1965, the date of the Appalachian Regional Development Act of 1965. The Senate bill broadened section 214(a) to permit supplemental grants for grant-in-aid programs enacted subsequent to that date, including programs to be enacted in the future. The House amendment permitted supplemental grants only for grant-in-aid programs enacted on or before August 1, 1967.

The conference substitute permits supplemental grants for grant-in-aid programs enacted on or before December 31, 1967.

(2) The Senate bill authorized $97 million for the two-fiscal-year period ending in 1969 to carry out this section. The House amendment reduced this authorization to $71 million.

The conference substitute is the same as the Senate bill in this regard.

Section 302. Research and local development district administrative expenses

The Senate bill authorized for the two-fiscal-year period ending in 1969 $13 million to carry out section 302. The House amendment reduced this authorization to $10 million.

The conference substitute sets this authorization at $11 million.

TITLE II—AMENDMENTS TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Supplemental grants under title V of the Public Works and Economic Development Act of 1965

(1) The Senate bill amended title V of the Public Works and Economic Development Act of 1965 to require, in the case of regional commissions established under such title, that the Secretary of Commerce shall provide funds for supplemental grants, pursuant to specific recommendations, for each such regional commission, once a long range economic plan for the region has been established.

The House amendment authorized the Secretary to provide supplemental grants, pursuant to specific recommendations of each regional commission, once such an economic plan has been established, by allocating funds to the heads of Federal departments and agencies for that purpose.

The conference substitute adopts the provisions of the Senate bill with a technical amendment making it clear that the Federal Cochairman of each regional commission will receive the funds provided for his commission.

(2) The Senate bill authorized supplemental grants under title V for appropriate basic grant-in-aid programs now existing or to be enacted in the future. The House amendment limited supplemental grants to grant-in-aid programs enacted as of August 1, 1967. The conference substitute permits supplemental grants for programs enacted as of December 31, 1967.

Project administration under Public Works and Economic Development Act of 1965

The House amendment added a new section 604 to title VI of the Public Works and Economic Development Act of 1965 which provided that no assistance shall be approved under that Act unless the responsible Federal official is satisfied that the project will be properly and efficiently administered, operated, and maintained.

The conference substitute is the same as the House amendment except that it requires the Secretary of Commerce to determine the efficiency of the project.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

Mr. FALLON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of

the managers on the part of the House be dispensed with.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Maryland?

There was no objection.

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

Mr. Speaker, the conferees on this bill met for 2 days and the differences have been resolved in what I think is a fair, modest, reasonable bill.

I should point out at the outset that the mood of the House to cut spending has been preserved by the conferees. The overall authorization as provided by the Senate in this bill—section 401—was cut in the House committee by $53 million and on the House floor by an additional $50 million. The Senate receded to agree with the House cuts which provide an overall authorization for this program for the next 2 years of $170 million.

Within the $170 million total authorization ceiling, funds for the supplemental grant-in-aid section were restored to the Senate figure of $97 million. The Senate wanted this figure restored because the supplemental assistance programs under this section have been one of the most effective weapons in the attack on Appalachian problems. There is evidence that the full amount can be utilized, and the conferees agreed to the restoration.

Section 202, subsections (c) and (d) of the demonstration health program section as they appear in the Senate bill, which prescribe certain limitations on grants for operating demonstration health projects, authorize planning grants and provide funds to support the Appalachian Commission's Health Advisory Committee, which were not contained in the House amendment, were adopted by the House conferees. The conference substitute contains these subsections with two modifications:

First. Operating grants may be made only to facilities which are specifically owned or operated by a public or private nonprofit organization and which are not operated for profit.

Second. Operating grants may not be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

The remaining changes are relatively minor.

The Senate language was restored in section 204 which provides a program for research on Appalachia hardwood products. An authorization of $2 million for this section was agreed to. Priority must be given to grants to colleges, universities, and other institutions of higher education with demonstrated capability in the field.

The access road mileage under section 201 in the Senate bill provided a maximum mileage of 2,000 miles. The House cut this figure to 1,200 miles. The conferees agreed to the maximum mileage limit of 1,600 miles.

The authorization for administrative expenses of local development districts and for research under section 302 was compromised at $11 million.

Title II of the bill which deals with the other regional commissions authorized under title V of the Public Works and Economic Development Act of 1965 was agreed on in essentially the same form approved by the House.

Senate language was inserted simply for clarification. There was no substantive change in the authorization of funds for the regional commissions.

With these few exceptions, the House bill was accepted. Virtually all House committee amendments were accepted and the key $50 million cut voted by the full House stands in the conference report.

I urge the adoption of the conference report on S. 602.

Now, Mr. Speaker, I yield to the distinguished gentleman from Florida [Mr. CRAMER] such time as he may consume.

Mr. CRAMER. Mr. Speaker, the conferees did maintain the $50 million reduction in authorizations for nonhighway programs in accordance with the decisive action which was taken on the floor of the House on September 14, as explained in the conference report, some $220 million, as contained in the committee-reported bill, which bill itself had been cut to the extent over $50 million from the Senate-passed amount by the House subcommittee, being subsequently reduced by the floor vote to $170 million. Thus, the $50 million cut in authorization for nonhighway Appalachian programs was retained in conference.

Mr. Speaker, the other amendment that was adopted on the floor of the House was the Waggonner amendment relating to the operation of demonstration health facilities which amendment, in effect, struck out subsection (c) of section 202 of the bill. This is explained on page 14 of the report.

Mr. Speaker, the bill now before us and the conference report speaks for themselves.

Mr. Speaker, the conferees were able to retain certain language that limits expenditures. I refer also to page 14 of the report which relates to matching grants being made only to facilities which are publicly owned and are operated by a public or private nonprofit organization, an organization not operated for a profit; and this also applies only when they are operated under efficient management procedures.

In conclusion, Mr. Speaker, the managers on the part of the House maintained practically all of its positions and the actions which were adopted by the House during its consideration of this matter in the Committee of the Whole to the Senate bill, as compared with that of the other body.

Mr. Speaker, it is my opinion that all in all the conferees did a very fine job on this bill.

Mr. Speaker, there were some sums which were increased in certain programs. However, they were all limited by this ceiling figure of $170 million.

Mr. Speaker, the increases in a specific program such as loan grants, the conferees felt that greater emphasis should be placed upon that particular program, as compared, for instance, to the other programs under the amendment of the House.

Mr. Speaker, I thank the distinguished gentleman from Maryland [Mr. FALLON] for yielding.

Mr. FALLON. Mr. Speaker, I thank the gentleman from Florida for his contribution.

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

Mr. FALLON. Of course I am delighted to yield to my distinguished friend, the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Speaker, I wish to commend my distinguished colleague, the gentleman from Maryland [Mr. FALLON] for his untiring efforts and great leadership in behalf of this legislation, as well as the other members of the Committee on Public Works for bringing this conference report to the floor of the House for consideration of the membership today. I wholeheartedly support this legislation and hope and urge that this conference report be unanimously adopted today.

Mr. Speaker, it has been my great honor and privilege to serve as a member of the Ad Hoc Subcommittee on Appalachia of the Public Works Committee, chaired by the distinguished gentleman from Alabama, the Honorable ROBERT E. JONES. I want to especially commend the gentleman from Alabama for his untiring efforts and for his great leadership in the committee and here in this House in behalf of this important legislation. Mr. JONES is keenly aware of the needs of Appalachia and it is largely through his leadership that this program has become truly a model in Federal-State programs.

Mr. Speaker, the textile industry is the largest single employer of persons in Appalachia. The manmade-fiber industry is a most important part of that industry employing many thousands of persons in Appalachia. I placed in the committee report supplemental views detailing the importance of this great industry to this region of our country. Those supplemental views follow:

ADDITIONAL VIEWS OF HON. WILLIAM JENNINGS BRYAN DORN

I wholeheartedly support S. 602 as reported by the Committee on Public Works. The Appalachian program conceived in 1965 over the last 2 years has proved to be a needed and necessary one for the region and one which will, I believe over the next few years, enhance greatly the entire economic development of the region. I would commend particularly those who administer the program including the former Federal Cochairman John L. Sweeney, the present Federal Cochairman Joe W. Fleming and his alternate, Fred B. Burke.

One of the most important industries in the entire Appalachian region and one whose growth I have consistently supported and encouraged is the textile industry. During the hearings before the committee testimony was presented which underlines a problem which threatens to affect adversely the maintenance and expansion of manufacturing employment in the Appalachian region. On behalf of the textile industries, testimony and data were presented indicating that to an impressive degree manufacturing employment in Appalachia is concentrated in the man-made fiber producing industry and the

textile and apparel industries utilizing cotton, wool, and man-made fibers. A large and rapidly rising volume of imports of man-made staple fiber, filaments, and filament yarn and textile and apparel articles of cotton, wool, and man-made fiber are threatening to impair the maintenance of employment in these industries. The textile industry spokesman called attention to the following facts:

(1) The total number of jobs in the textile industry, as defined above, in the Appalachian region is about 453,000.

(2) In a significant number of counties in Pennsylvania, Kentucky, Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Alabama, 75 percent or more of all manufacturing jobs are directly in this textile industry. In an even greater number of counties in these States and in West Virginia, from 50 to 75 percent of all manufacturing jobs are directly in the textile industry. In the remaining counties of the Appalachian region, the textile industry provides not less than from 12 to 50 percent of all manufacturing jobs.

(3) In the Nation as a whole, the textile industry accounts for 13 percent of all manufacturing jobs, but in the Appalachian region this industry supplies 26 percent of all manufacturing jobs. If the counties in New York, Pennsylvania, and Ohio are excluded, the textile industry supplies 41 percent of all manufacturing jobs in the Appalachian region.

(4) Within the Appalachian region and the area within 50 miles beyond its borders, the textile industry accounts for a total of 1,022,000 manufacturing jobs. This is nearly one-half of the employment in the textile industry in the Nation, and 24 percent of total manufacturing employment in that enlarged area.

(5) While the Federal Government and the governments of the States included in the Appalachian region are cooperating through the programs developed by the Commission in an increase in the pace of economic activity within the region, including the creation of additional jobs in the manufacturing sector, imports of man-made fibers and textile products of cotton, wool, and man-made fibers, including apparel, are increasing at an alarming rate. Between the year ended June 30, 1961, and the calendar year 1966, imports of cotton textiles increased by 72 percent, wool textiles by 34 percent, and man-made fiber textiles by 146 percent.

While imports of cotton textiles are subject to regulation for the next 3 years under the terms of the extended long-term cotton textile arrangement, there is no system of providing for quantitative limitation on imports of man-made fibers, and textile products including apparel of man-made fiber and of wool. The textile industry warned the committee that the impact of these mounting imports of man-made fibers and textile and apparel products of all fibers in the U.S. market will be heavily centered on employment in the Appalachian region as a result of the concentration of the industry's employment in the region. Failure on the part of the U.S. Government to achieve some reasonable control over these textile imports could neutralize the benefits for the Appalachian region and employment within the region which the Federal programs authorized by the proposed amendments to the Appalachian Regional Development Act of 1965 are intended to secure.

I realize that the Committee on Public Works does not have jurisdiction over the regulation of foreign trade, and is therefore powerless to initiate remedial action on this textile import problem. I therefore take this opportunity to present this information to the chairman and members of the Committee on Ways and Means with a request that that committee give the matter the earliest practicable consideration.

WILLIAM JENNINGS BRYAN DORN.

Mr. EDMONDSON. Mr. Speaker, approval of this conference report represents a great and historic milestone in the Ozarka Region of Oklahoma, Arkansas, Missouri, and Kansas.

The $20,000,000 authorized for this fiscal year and next year will break the ground, with administrative funds and supplement grants-in-aid, for major new programs in vocational education, conservation, and development in our region of the country.

Of this sum, $5,000,000 is authorized for administration, technical assistance, and research by the Ozarka Regional Commission, under the able leadership of Federal Cochairman William McCandless.

The balance of the sum, if we are successful in securing appropriations, will be the grant-in-aid supplements for projects of regional significance in the area, contributing directly to economic development of the area.

Next to the Arkansas River development program, this is the brightest star in the sky today to lead our way to economic development in eastern Oklahoma. I deeply appreciate the support which this program has received from my colleagues from the House Committee on Public Works. I am also extremely grateful for the leadership which has been demonstrated in the other body by U.S. Senator FRED R. HARRIS, who has been an outstanding spokesman for regional development and the Ozarka program. With the able assistance of our senior Senator, Hon. MIKE MONRONEY, Senator HARRIS has played a key role in the advancement of the Ozarka program in this Congress.

Let us now go forward together to secure the funds which are authorized by this bill to advance the program.

Mr. WHITENER. I will be very happy to see the House agree to the conference report on the Appalachian Regional Act Amendments of 1967. One of the outstanding features of the Appalachian regional program is the demonstration health projects. During my service in the Congress, I have been a strong supporter of health legislation.

The demonstration health projects included within the Appalachian Regional Commission Act has been one of the most significant steps taken in recent years toward the promotion of better health in the Appalachian region.

Under the conference report the demonstration health projects program should move forward. A health project has been approved for Burke County, N.C., one of the great counties I am privileged to represent in the Congress.

Mr. Speaker, I am hopeful that final action on the legislation will be expedited and that we shall have the President's approval within the next several days.

Mr. FALLON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FALLON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Maryland?

There was no objection.

ESTABLISHING PROCEDURES TO RELIEVE DOMESTIC INDUSTRIES AND WORKERS INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

Mr. PERKINS. 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. 478) to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Kentucky.

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 on the bill, H.R. 478, with Mr. BROOKS 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 Kentucky [Mr. PERKINS] will be recognized for 1 hour, and the gentleman from California [Mr. BELL] will be recognized for 1 hour.

Mr. PERKINS. Mr. Chairman, I yield myself 3 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. PERKINS. Mr. Chairman, this is a bill to amend the Fair Labor Standards Act, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas. Insofar as I know, all the American industries are supporting this legislation.

This legislation which, in my judgment, should be much stronger, is long overdue. The coal fields of eastern Kentucky in the early 1950's lost their market for coal on the eastern seaboard because of competition from residual fuel oil, largely produced by slave labor in Venezuela. And that situation prevails throughout the whole Appalachian area.

Mr. Chairman, this bill is not going to solve all the problems; it is not going to upset or affect any existing trade agreements in effect at the present time, but it will have an impact on all American industry.

I personally believe it will help protect the textile people and the steel people from undue competition based wholly upon cheap labor. The gentleman from Pennsylvania [Mr. DENT] perhaps is the foremost authority on this subject in this Chamber. I make that statement because the gentleman has studied the impact of imports on American employment more so than any other Member of this body. He has not only studied it since he became a Member of Congress for the last 10 years, but he stud-

ied it when he was in the General Assembly of the Commonwealth of Pennsylvania. Since Mr. DENT came to the Congress he has carried on a continuous study, official or otherwise.

I think enough of us here remember when the gentleman from Pennsylvania first took an official look into the impact of imports on American employment, back in 1961 and 1962. At that time, he chaired an ad hoc subcommittee established for that purpose. The work of that subcommittee was enormous, and it worked tirelessly under the leadership of the gentleman.

From that time we heard JOHN DENT speak out on trade. He started alone, and many were quick to dismiss his admonitions. What happened in the intervening years is not germane to this discussion. But it is important to note, however, that the gentleman from Pennsylvania convened his labor subcommittee on August 29, 1966, to begin a new round of hearings on the legislation before us. That was more than 1 year ago. Since then, his subcommittee actually heard testimony for over 6 months. Several undertook an onsite investigation of foreign producers whose production is exported in large part to the United States and sold in competition with domestically produced goods. The point of all this, Mr. Chairman, is that H.R. 478 received more consideration than any other bill I am aware of. It was debated within the Committee on Education and Labor until finally reported on September 13.

Mr. Chairman, we are today considering a bill conceived and authored by the gentleman from Pennsylvania, but deserving the support of this entire body. Although the gentleman carried on the struggle for this legislation almost single-handedly for so long, we now recognize his efforts as being in all our interests—and especially for the workers, firms, and communities we represent, who find themselves at the economic mercy of low-wage-produced foreign imports.

Mr. Chairman, there is nothing in this bill inconsistent with our desire for understanding and exchange through trade. There is nothing here that violates our basic policy of fair trade. There is, however, a new avenue of approach to the problem we incur by unfair and disproportionate competition. That avenue is a recognition and consideration of the worker and his community. For too long we have measured our international trade in dollars and cents. We are only asking that it also be measured in terms of jobs.

I might also say, Mr. Chairman, that we all realize a fair basis as the ideal condition for exchange of goods. Many of our sister nations have wage rates which are in no way comparable to even our minimum wage. Hopefully, the Dent bill will give added incentive and encouragement to those nations and their industries to raise wage levels. Participation in the American marketplace is a very inviting goal, and I believe this could be an effective device to elevate living conditions throughout the world. When all countries apply basic labor standards, then all countries will be able to participate in the wealth of nations.

Mr. Chairman, before concluding I would again like to congratulate the gentleman from Pennsylvania and his subcommittee. The gentleman is an expert in this area and it was only through his persistence and diligence that this bill is before us today. His subcommittee has achieved a record of legislative excellence, and this bill is totally consistent with that record. He and his subcommittee deserve our appreciation for their devotion and application to the finest legislative principles.

Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. DENT] who will be in charge of the time.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BELL].

Mr. BELL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in support of H.R. 478.

Interest in the impact of foreign imports on the economic well-being of our Nation is not limited to one or another segment of our structure.

It concerns all of us.

Recognizing problems inherent in foreign trade policies, the Congress several years ago enacted legislation to open a channel for industry to present grievances to the President.

Labor, however, was not granted access to this channel.

During hearings on H.R. 478, it became clear that labor—as well as management—and individual communities—as well as the Nation as a whole—have a legitimate interest in the effects of foreign imports on the domestic economy.

Testimony repeatedly illustrated certain disadvantages faced by American labor when placed in competition with foreign labor's lower wage scales and lower standards of living.

Ironically, it is the very factors which have so significantly contributed to the material well-being of our labor force that may now be having the reverse effect.

The dilemma is caused by the fact that American wage-and-hour protections obviously do not affect the policies of other governments.

Existing law has provided no relief to domestic workers and offers no recourse to communities.

For example, my own State of California has 14 tanning factories whose products must compete with Japanese imports.

The United States has become the major supplier of hides to Japan which has in turn become the major producer of finished leather goods imported by the United States.

But Japan has a total embargo on leather imports from the United States, while we have no such restriction.

The result of Japan's protectionist attitude is that our own processors are being forced out of business.

An example of a larger nature is the U.S. steel industry.

It has been estimated that the total employment displaced by 1966 steel imports would approximate 83 thousand people.

One witness stated it most succinctly: Steel imports mean job exports.

H.R. 478 will not offer the complete solution to such grievances.

It will not automatically raise any barriers to foreign imports.

But it will recognize the legitimate concern of labor with respect to those imports.

And it will grant to labor and to individual communities a vehicle by which their complaints can be fairly evaluated.

Previous speakers have indicated that this bill does not do very much.

If it does nothing else, it will alert the Secretary of Labor and the American public to the needs and the problems in connection with imports. It is important for our Nation to be alerted to these problems and to begin thinking about some of the solutions that we will have to undergo to make our whole system of imports more reasonable, fair, and effective.

Mr. KYL. Mr. Chairman, will the gentleman yield?

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

Mr. KYL. Perhaps the gentleman in the well would prefer that the author of the bill, the gentleman from Pennsylvania, respond to this question.

In the hearings and in the report accompanying the bill we find no statement either in favor of or in opposition to this bill from any of the departments of the administration. Can the gentleman from California or the gentleman from Pennsylvania respond to the reasons why we have no such reports?

Mr. BELL. I do not know of any opposition, that is official opposition, from any of the departments of Government. Perhaps if the gentleman from Pennsylvania, the chairman of the subcommittee and author of the bill, should answer this question.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BELL. Yes, I yield to the gentleman from Pennsylvania.

Mr. DENT. The committee asked many departments for their views, and also invited the departments to present their views at the hearings. The department most vitally interested was the only department to reply. Mr. Charles Donahue, speaking for the Secretary of Labor, Mr. Wirtz, came before the committee. The summary of his position might well be read into the RECORD at this point in order to clarify this situation in the minds of the Members who felt, I believe erroneously, awhile ago that the Secretary of Labor had said nothing during our committee's deliberations.

With your permission, I will read it. It may answer the question. I quote from his statement:

> Upon those grounds, Mr. Chairman, we feel that this amendment here would make no real substantial difference in the section under consideration before this committee today. It would make no change in the policy of the Department of Labor. We would carry out exactly what clause (2) on page 2 of your bill says with or without its being placed in the statute. For that reason, while we believe that this bill would be most appropriate legislation, nevertheless it would be a directive to us telling us to do what we would do normally under this particular section of the present law.

If you cut through all of that, you come up with the simple answer that the law now provides that we have the right to investigate, but also provides that if within his judgment he has reason to believe that the complaint is valid, then he would hold the hearings. We would remove that provision. We would say that he must hold the hearings when a complaint is placed before him by a proper plaintiff.

Therefore, as to the objection that he made, if he made it—and there is no direct objection—that we would be imposing upon him the mandatory requirement that we hold hearings, I point out he did not oppose the legislation and he said it would be appropriate, and in our opinion his statement was in favor of the bill.

Mr. KYL. Mr. Chairman, will the gentleman yield further?

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

Mr. KYL. I ask the gentleman from Pennsylvania as to whether the other departments in the administrative branch were asked to submit reports or to testify during these hearings.

Mr. DENT. Each and every department of the Government was asked to testify.

Mr. KYL. Did they testify?

Mr. DENT. The only other official spokesman for the administration was Secretary Rauh, the official Ambassador to the Geneva Talks, who came in after the Kennedy round had been completed. He asked to come before the committee. His testimony is in the RECORD. I will refer to it later.

Mr. KYL. I thank the gentleman.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I appreciate the distinguished gentleman in the well yielding.

Mr. Chairman, I rise in support of the pending bill, H.R. 478. The voluminous testimony before our committee conclusively demonstrates to me that imports to the United States produced by low-wage foreign labor are having a seriously adverse effect on employment and working conditions among our workers in a good many industries in various areas of the country, including my own.

Procedures under existing law designed to provide some protection for the American economy against unfair competition from abroad are quite inadequate as our hearings have clearly shown. They suffer from several defects:

First, complaints to the Tariff Commission asking for relief must allege and show that the particular industry, as a whole, is sustaining economic hardship. The distress of particular enterprises within the complaining industry is not a sufficient basis for granting relief.

Second, neither loss of employment by particular segments of the American labor force, nor the virtual disaster which often descends on local communities that are economically dependent on particular enterprises adversely affected by imports, is a factor on which a petition for relief to the Tariff Commission can primarily be based.

Third, again, the extremely low wages paid foreign workers who produce commodities directly competitive with and able to undersell American products is not a primary factor for a grant of relief by the Tariff Commission. In this connection, it should be pointed out that the overwhelming technical superiority which the United States once enjoyed no longer exists with respect to many other industries in countries abroad. Today, the latest technological developments become matters of worldwide adoption in a very short time, and our high-wage American labor is thereby rendered defenseless against low-wage foreign competition in many segments of our economy.

Fourth, this technological equalization coupled with unfair competitive methods such as import quotas, subsidies, and tax rebates to foreign exporters, misleading labeling of foreign products, and other devices too numerous to mention are becoming increasingly widespread and create growing difficulties for many American employers and their employees.

Mr. Chairman, the pending bill does not substantively change our existing foreign trade policies. It does, however, provide both an additional channel and an additional basis for seeking and securing relief where it is most needed.

American industry and workers will, under this bill, have an opportunity they do not now possess—to bring to the attention of the President the hardships caused by the competition of low-wage labor abroad. The medium for presenting their complaints will be the Secretary of Labor, the Cabinet official charged by statute with a concern for the interests of the American worker. Thus, the pending bill will establish a procedure parallel to the existing machinery available to those seeking relief through the Tariff Commission.

The shoe and leather and textiles industries are in a particularly critical situation in Wisconsin without reasonable procedures for a proper investigation of hardships.

I have received urgent letters and telegrams outlining firsthand the difficulties these important industries are facing. They have come from Mr. Bert Allen, of the Allen Edmonds Shoe Corp., in Belgium, Wis.; Mr. Erhard Buettner, of the Pfister & Vogel Tanning Co., in Milwaukee, Wis.; Mr. Lamont E. Fonteine, of Oconomowoc, Wis.; Mr. Theodore Hasse, of the Oshkosh Tanning Co., Oshkosh, Wis.; Mr. Henry Jung, of the Jung Shoe Manufacturing Co., Sheboygan, Wis.; Mr. E. A. Kalfahs, of the Jersild Knitting Co., Neenah, Wis.; Mr. Robert H. Leverenz, of the Leverenz Shoe Co., Sheboygan, Wis.; Mr. Robert Oeflein, of the Mondl Manufacturing Corp., Oshkosh, Wis.; Mr. Dirk S. Van Pelt, of the Fred Rueping Leather Co., Fond du Lac, Wis.; Mr. G. Hipple, of the Milwaukee Shoe Co., Sturgeon Bay, Wis.; Mr. Arthur A. Gebhardt, Jr., of the A. L. Gebhardt Co., Milwaukee, Wis.; Mr. William H. Deiderich, of Shorewood, Wis.; and Mr. William B. Albrecht, Mr. Carl W. Kimes, Mr. John T. Miller, Mr. John R. Olson, and Mr. Daniel F. Simonson, all of Milwaukee, Wis.

Thus, Mr. Chairman, enactment of H.R. 478 is, in my judgment, desirable as a means of effectively dealing with a serious economic and human problem. It provides a means whereby an industry and its employees can move to focus on their problems and, if the complaints are valid, action can be forthcoming within the framework of the law.

Mr. SCHADEBERG. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Wisconsin.

Mr. SCHADEBERG. Mr. Chairman, I appreciate the gentleman's remarks.

It is with real pleasure that I support H.R. 478, a bill to establish procedures for the relief of industries adversely affected by imports. The whole area of our trade policy has been of great concern to me for a number of years. I believe the bill is a step forward toward simplifying import relief measures, something that is badly needed.

The bill is the result of a tremendous amount of work and study in the area of international trade. Months of hearings, as well as overseas field investigations, have gone into the search for means to aid our industries which must contend with imports from low-wage, labor-intensive industries. I would like to commend my colleague from Pennsylvania on his bill and his tireless efforts on behalf of the American worker.

Many of us have been disturbed by the current trade policies. They are not what was visualized a few years ago. To me, the trade concessions are a form of backdoor foreign aid. We are raising the standard of living of foreigners, which is laudable, but at the expense of Americans who have lost a portion of the American market.

Our present lax trade policies are in direct conflict with the goals of providing more employment for the people with few or no skills. The testimony of Mr. Eugene Stewart, general counsel, of the Trade Relations Council, shows that imports have affected American labor-intensive industries. A number of the industries with special job potential for the Nation's unemployed poor were studied. Using the average of the period 1958–60, the council found that these industries in 1964 had increased employment 11 percent, and the value of shipments 15 percent, but that foreign competitive products importation increased 74 percent and the exports increased only 10 percent. The foreign trade of the industries studied resulted in a $1 billion trade deficit in 1964. As the report on H.R. 478, House Report No. 638, stated on page 10:

> At the average output per worker in these industries, the deterioration in the foreign trade position was equivalent to the loss of 42,000 jobs.

Of course, other industries are bettering their trade positions and creating new jobs. Yet, the net employment in labor-intensive industries is not being offset by increases in employment in capital-intensive industries where the United States has a competitive advantage. So, the bright dollar picture of our trade does not fully represent the seriousness of the employment situation.

Those Members who have attempted some protection of the dairymen and mink ranchers are only too aware of the

inadequacies of the present means of import redress. The many letters that I am certain every Member receives indicate the desire of various economic groups in America to have a simpler, more effective means of revising the import situation. The Trade Expansion Act of 1962's adjustment assistance section has not provided the needed corrective process.

H.R. 478 came to the floor today because of much thoughtful work and deep concern. As such, it deserves the support of every Member whose district has suffered from low-wage imports. I am delighted that such a bill is before us and that I have the opportunity to support it. However, we must all realize that this bill is not a complete solution to the serious problem of imports. The bill addresses itself under present law to the relief of those who are being victimized by present trade policies. It is my hope that there can be the badly needed revision of our trade policy, so that we will prevent the initial injury to our industries, and the need for relief will not arise.

Mr. BELL. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. KING] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. KING of New York. Mr. Chairman, I would like to wholeheartedly and enthusiastically support H.R. 478, presented by the gentleman from Pennsylvania [Mr. DENT].

I have been a cosponsor of similar legislation, and I believe this type of legislation is sorely needed at a time when our industry and labor are being effected dramatically by imports from abroad. Coming from an area as I do; that is, the glove and leather goods capital of the world, it has been vividly brought home to me the detrimental effects of many foreign products upon American industry and labor. I want to compliment Mr. DENT and the members of his committee for bringing out this legislation, and I hope that it meets with the approval of the House.

It will give our industry and any injured party an opportunity to present to the Secretary of Labor an application for the injury he has suffered by imports. The Secretary will then make a prompt investigation and report within 4 months after the application has been submitted to determine whether or not this product is in fact injuring American industry. It will then go to the President, and he can take such action as he deems necessary to remove such impairment or threat by giving the industry needed relief by way of tariff changes or by the imposition of quotas. We have no quarrel with products competing with ours when that competition is on an equal footing. But we have recognized and legislated against unfair competition within our country, and I believe we should do so against unfair competition from abroad.

Mr. DENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from South Carolina.

Mr. RIVERS. Mr. Chairman, I want to say to the distinguished chairman of the committee that I congratulate him and, of course, I support his proposal, because this is one of the most sensible means of protecting against the attack on our corporate investments and the interests of our labor. The cheap competition from abroad threatens the very fabric of our free enterprise system. The gentleman and his committee are to be congratulated for their efforts in protecting this great investment in the American system of free enterprise.

Mr. DENT. Mr. Chairman, I thank the gentleman.

I might say to the Members of the House, I wish they would join with me today in wishing the gentleman a happy birthday. I have just learned it is his birthday.

Mr. Chairman, this is an historic moment. The House considers today an essential act of justice toward the working men and women of our Nation. We are asked to consider an amendment to the Fair Labor Standards Act which will complete the basic design for this, the most important of the Federal bulwarks to the standard of living of our people. On the obligation and ability of the employers of America's working men and women to pay a rising minimum wage and overtime pay for hours worked in excess of the statutory maximum depends the welfare not only of our working men and women in establishments engaged in interstate commerce, but of the other Americans in service or governmental employment whose livelihood is indirectly dependent upon the payrolls of our goods-producing, wealth-creating enterprises.

When the Congress enacted the Fair Labor Standards Act in 1938 it recognized that the existence of substandard labor conditions in the industries engaged in commerce in this Nation would be detrimental to the maintenance of a minimal acceptable standard of living required for the health, efficiency, and general well-being of American workers. In that act, the Congress prohibited the shipment in interstate commerce of goods produced in establishments whose rates of pay or hours of work failed to meet the standards specified in the act. The Congress made it a crime for such goods to be even introduced into interstate commerce.

In the 1938 act, the Congress faced the fact that a Gresham's law of labor conditions and of workers' living standards, applied to interstate commerce. The poor labor conditions would drive out the good. Goods produced below normal cost because made with underpaid, overworked labor would undersell goods produced at or above normal cost because of the cost-price advantage of the former in competing with the latter. Without a nationwide floor under wages and a ceiling over hours, the force of competition in the marketplace would bring all labor standards to the same low level, and dry up good-paying, high-standard-of-living jobs.

For this reason, the Congress in its statement of policy in the 1938 act declared it to be its purpose through the exercise of the power to regulate commerce among the several States and with foreign nations to eliminate such conditions. Congress alone has the power to regulate interstate and foreign commerce under our Constitution. Congress alone could take the initiative to protect the standard of living of American workers through the regulation of commerce in such a way as to safeguard wages, hours, and jobs.

The Fair Labor Standards Act, as enacted in 1938, had, however, a serious loophole which in time would permit such a rising tide of goods produced under substandard conditions to move in interstate commerce that the purposes and benefits of the act for American working men could be destroyed. That loophole concerned imports. Though the Congress made it a crime for domestic producers to produce and introduce goods into interstate commerce in violation of the labor standards expressed in the act, it failed to provide machinery to prevent the very same evil from occurring from a foreign source. Though indeed the act refers to the exercise by Congress of its power to regulate foreign commerce as part of the means to be used to correct and eliminate the threat to American living standards for our working men and women, the specific prohibitions in the act, and the machinery for enforcement of the act failed to include imported goods, made abroad under labor conditions which failed to meet the minimum requirements of the Fair Labor Standards Act.

The logic of the act is blind to the origin of the goods. The evil which the act seeks to eliminate is the impact on wages, hours, and employment itself when goods produced under fair standards for labor must compete in our markets with goods produced at lower cost because labor is paid less than a minimum wage, or forced to work in excess of our maximum hours without the payment of overtime. This detrimental impact occurs without regard to the origin of the goods which are produced by underpaid, overworked labor. If it is necessary or appropriate to outlaw as contraband goods produced in this country under substandard labor conditions, it is equally necessary or appropriate to outlaw as contraband goods produced in foreign nations under labor conditions which fall below our federally imposed standard which are sought to be imported into the United States.

It is drastic to speak of outlawing the importation of foreign produced goods which violate our minimum labor standards. We shrink from imposing penalties on foreigners as absolute as the strictures we lay on our own citizens who engage in this country in the production of goods. We need not embargo the foreign goods as we do embargo the domestic goods produced under substandard labor conditions. We can protect the standard of living of our working men and women, and thus be faithful to the national policy and purpose expressed in the Fair Labor Standards Act if we eliminate at the border the price advantage of foreign produced goods which results from the payment by foreign producers of

wages below our statutory minimum and from the failure of the foreign producer to pay at minimum wage rates overtime at our time and a half standard for hours worked in excess of 40 per week. Members of this body know that typically American industries pay average rates of wage earnings to their workers which exceed our statutory minimum. We need not eliminate the entire difference between average hourly earnings of American working men and women and those of foreign workers. We can close the loophole in the Fair Labor Standards Act if we provide machinery for closing the gap, as reflected in the landed costs of imported goods, between foreign wages and our statutory minimum wage and maximum hours.

It is not necessary that we create machinery for the automatic adjustment of landed costs of all imported goods to eliminate the competitive advantage resting with such goods as a result of the substandard labor costs incurred in their production. It will be sufficient if we proceed selectively with regard to those particular imported goods which our capable and well-informed Labor Department finds on the basis of an investigation to be causing or substantially contributing to impairment or threat of impairment to the standard of living, or health, efficiency, or general well-being of any group of workers in the United States or the welfare of the community in which they live or are employed.

Thus under such a minimal, moderate approach to completing the plan of regulation of the movement of goods in commerce which has been implied in the Fair Labor Standards Act from the start, we will be doing justice—long delayed—to American working men and women, without requiring foreign producers to accept anything like the categorical burdens which we impose on American producers-employers.

The bill which we are considering today represents just such a moderate step in closing the loophole in the Fair Labor Standards Act which is being exploited so vigorously by low-wage foreign producers. Indeed, I regret to remind the Members of this body, this loophole is being exploited by U.S. business corporations which have created productive facilities at an increasing pace in low-wage foreign countries in order to remain competitive with goods produced for the American market in such countries by foreign business firms. Gresham's Law of the poor currency driving out the good never found a more striking parallel than the impact of substandard labor conditions reflected in low-wage cost foreign goods on the welfare of American working men and women through the exportation of their jobs to foreign shores.

It is common knowledge, and the exhaustive hearings conducted by the general Subcommittee on Labor have confirmed, that America's basic industries, including our most technologically advanced industries, have directed an increasing proportion of their new capital investment in the creation of facilities abroad rather than in the United States. Chemicals, electronics, machinery, metals, shoes, textiles—call the roll of American industry, and you will find the largest firms have already taken the step of investing abroad in order to secure for themselves the labor cost advantage which they have been unable to compete against in the United States because of this serious loophole in the Fair Labor Standards Act.

In a moment I shall review some of the facts which demonstrate the need for this bill. First, let us discuss what the bill actually provides, and how the machinery it creates would be intended to operate.

The bill consists of a statement of policy, a procedure for applying that policy to specific cases, and a delegation of authority to the President to take appropriate action to deal with each specific case found to meet the criteria for action set forth in the bill.

First, as to the policy. The bill would amend the statement of policy section of the Fair Labor Standards Act in two respects. These do not change the policy stated in the act; they merely complete or round out the present implied, but not clearly stated, policy of the act in regard to imports. The bill states that "the unregulated importation of goods produced by industries in foreign nations" under labor conditions detrimental to the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of American workers causes or contributes to the evils of spreading substandard labor conditions, burdening commerce, fostering unfair competition, leading to labor disputes, and interfering with the orderly and fair marketing of goods in commerce which the Fair Labor Standards Act seeks to correct and eliminate.

After amending the general finding set forth in the act as I have just described, the bill would add to the act a further declaration of policy that the Congress, through its power to regulate interstate and foreign commerce, seeks to provide for the regulation of imports in such manner as will correct, and as rapidly as possible, eliminate any actual or threatened impairment of the health, efficiency, and general well-being of any group of workers in the United States and the welfare of their communities in which increased imports are a substantial contributing factor. In other words, it is our policy to accomplish through the selective regulation of imports found to be impairing the standard of living of American workers, the same objectives which we now seek to accomplish by the outright embargo which the Fair Labor Standards Act imposes on domestically produced goods which have a comparable effect on workers' living standards. This further statement of policy necessarily incorporates the enumeration of evils now set out in the act which the Congress finds to be a consequence of the movement of goods in commerce which were produced under substandard labor conditions.

Let me recap and simplify somewhat the elements of this policy statement. Since these elements become the criteria for action by the Secretary of Labor and the President, it is important that we understand just how they are intended to be a series of alternative tests for determining when the Secretary and the President are expected to act. These criteria are the primary standard and intelligible principle which the Congress would lay down as a rule for the use of the delegated authority for Presidential action.

First. There must be increased imports. This obviously requires a comparison of the level of imports in a recent period with the level in an earlier, representative period.

Second. The increased imports must be a substantially contributing factor to a serious impairment or threat of impairment to the standard of living of a group of workers, or to the community in which they are employed. The words "substantially contributing factor" are intended to avoid the heavy burden of proof which has been required by the Tariff Commission under the adjustment assistance provisions of the Trade Expansion Act of 1962.

"Substantially contributing factor" therefore means that imports have had some influence in contributing to the economic distress or hardship affecting a group of workers or their community, but the imports need not be the major factor in causing such distress or hardship.

Third. A serious impairment or threat of impairment of the standard of living of a group of workers or of the economic welfare of their community must be found. This impairment or threat of impairment may be shown either directly or indirectly. As far as the workers are concerned, the impairment is shown directly when there is evidence of a loss of employment, of a failure of the work force to grow as where imports capture all or virtually all of the growth in the domestic market, a loss of earnings as where workers must forgo wage increases because of the economic distress of the domestic industry to which import pressures contribute, or where workers lose overtime or premium pay because of a slackness of demand for domestically produced products to which the increased supply from foreign sources has contributed.

As far as the community is concerned, economic impairment is shown by the loss of purchasing power represented by either an absolute reduction in the work force, a curtailment of the workweek of the workers, or a failure of the payrolls in the community to grow in pace with other sectors of community economic activity because of the pressures exerted by rising import competition on the ability of the producers concerned to increase wage payments at a comparable rate, or because future growth in output is transferred by the producers concerned to foreign soil.

As far as both the workers and the community are concerned, impairment or threat of impairment of their welfare is shown indirectly under the congressional finding where as a result of the rising volume of low-cost foreign produced goods, there is market disruption. The sale in the United States of goods produced abroad under labor conditions below our minimum wage or at hours exceeding our maximum necessarily con-

stitutes an unfair method of competition if that failure to conform to our labor standards results in lower costs and lower prices that domestic producers cannot compete with and still recover their full production costs and a reasonable profit. Furthermore, the sale of imported goods under such circumstances necessarily results in disruption of our markets, thus preventing the orderly and fair marketing of domestic and foreign goods in commerce.

The workers and the community are also harmed when an increasing volume of imported goods produced at low cost by workers whose wages are below our minimum, and who are compelled to work in excess of our maximum hours without the payment of overtime, or of overtime equal to our statutory time-and-a-half formula, influences domestic producers to transfer some of their productive capacity abroad. This is shown by investment in productive facilities overseas, or by contractual arrangements to bring foreign goods into the United States under the domestic producer's brand names. In this type of situation, which is becoming all too common, the imports are a contributing factor to the spread of the foreign substandard labor conditions among the workers engaged in producing such goods in the United States. This results from the loss of jobs, or the retarding of future growth in jobs with the related loss of opportunity for advancement which growth always brings, and the curtailment of growth always retards, or from the diminishment of wage rate elasticity and the bitter labor disputes which inevitably result when management feels itself under constraints in wage negotiations which impede the establishment of wage rates which are objectively fair and comparable to wages paid similar skill levels in unaffected industries.

A community suffers impairment of its economic welfare when increasing imports contribute to the reduction of production, the transfer of jobs to other localities, the closing down of production facilities, and the retraining and relocation of workers. When the industry leaves town, if the workers remain it often occurs that they are unable to find employment at rates of pay commensurate with their former occupation. Their loss of earning power injures the community through diminished circulation of money through the service establishments of the community, through the erosion of the tax base which support local governmental services, and through the inability of the workers to contribute to economic growth of the community.

When the workers leave town, perhaps assisted in doing so by the retraining allowances and relocation allowances which we have provided under so-called adjustment assistance programs, the community suffers an absolute loss of payroll inputs to the circulation of money so vital to the welfare of service industries. Schools, churches, and other cultural resources of the community feel the impact of these developments. The tax base is eroded, real estate values decline, and the difficulty which communities now experience in raising essential operating revenues is increased. The credit rating of communities is impaired by this type of occurrence, and they have correspondingly greater difficulty in financing capital improvements to provide essential services, be they hospital, school, fire, police, or welfare.

If the displaced workers chose to remain in the community left behind by a runaway industry, or made an industrial ghost town as so many small communities in this Nation have become when the local manufacturing plant, food processing center, or mining facility is closed down, the community's obligations increase, as welfare payments and the ultimate cost burden of coping with increasing numbers of poor, culturally deprived citizens is enlarged.

Next let us consider how the machinery which would be created by the bill is intended to operate.

1. A union, a firm, an industry association, or a town, city, county or other community organization would file a written request with the Secretary of Labor asking him to investigate to determine whether a product or group of products is being imported in increasing quantities under such circumstances as to contribute substantially to actual or threatened impairment of the standard of living of the workers producing the product or group of products in the United States, or to the economic welfare of their community or communities.

2. The Secretary would publish a notice of the request and of his investigation into the matter in the Federal Register. His notice would inform interested parties of the date or dates on which he or his delegate would hold public hearings on the matter, and of the right of interested parties to be present at the hearings, to produce evidence and to be heard. It is intended that these hearings be promptly scheduled in view of the overall limit of 4 months imposed on the Secretary's investigation.

3. In his investigation, the Secretary shall determine—

(a) If imports of the product or group of products have increased by a significant amount in comparison with a representative period;

(b) If the increase in imports originated in a country or countries whose producers of the product or group of products in question pay wages below the United States minimum wage, or require their workers to work more than our weekly maximum of 40 hours without being paid time and a half for overtime;

(c) If the product or products in question of foreign origin are exported to the United States at a landed cost, duty paid, U.S. port, which is significantly below the price at which the like or competitive domestic product is normally sold in comparable wholesale quantities;

(d) If the difference between the landed cost of the imported products or product and the normal wholesale price of like or competitive domestic goods reflects substantially the disparity between the average wage payment in the foreign industry and the U.S. minimum wage;

(e) If the workers producing the domestic goods like or competitive with the imported product or group of products which is the subject of the investigation have suffered or are threatened with impairment of their standard of living, as shown by the existence of any one of the following conditions:

(i) A decline in employment;

(ii) Failure of employment in the sector of production affected to grow at a comparable rate to the growth of domestic consumption of the product or products in question;

(iii) A decline in earnings;

(iv) Failure of earnings to grow at a rate comparable to the growth experience by comparably skilled workers in related by unaffected lines of commerce;

(v) A transfer of any significant amount of productive capacity from the United States to foreign soil by U.S. producers, whether through direct investment in foreign facilities, or through contractual arrangements for the production abroad and importation into the United States of the product or group of products in question under U.S. producer brand names, or for distribution by U.S. producers; or

(f) If the community or communities in which the affected group of workers is employed or in which they reside have suffered or are threatened with impairment of economic welfare, as shown by the existence of any one of the following conditions;

(i) A decline in wage payments to any significant number of workers employed or residing in the community;

(ii) An absolute loss of employment at establishments located within or near the community which provide employment normally for residents of the community;

(iii) A static level of wage payments, or of employment in comparison with trends in related but unaffected lines of commerce;

(iv) The closing of productive establishments located within or near the community which normally provided employment for residents of the community; or

(v) The transfer of productive operations in any significant degree from the community by business firms having an establishment in the community to foreign soil through the acquisition of facilities, investment in facilities, or contractual arrangements for the production of goods abroad for distribution by the U.S. firm in the United States which were formerly supplied by production from an establishment in or near the community; and

(g) If increased imports of the product or group of products are a substantially contributing factor to the conditions established by an affirmative finding under the questions presented at (a) through (e), or (a) through (d) and (f).

4. If the Secretary's findings under questions 3 (a) through (g) are in the affirmative, he is required to promptly report a finding to the President that the imported product or group of products are a substantially contributing factor to a serious impairment or threat of impairment to the health, efficiency, and general well-being of the affected group of workers and to the economic welfare of their community or communities. He

shall make public his findings and report to the President and publish a summary of them in the Federal Register.

5. Upon receipt of the Secretary's report containing the above-described finding, the President is cloaked with authority to take action to remove the impairment or threatened impairment. The action contemplated is intended to consist exclusively of customs action, either the imposition of quantitative limitations, an increase in the applicable tariffs, or the use of a tariff quota to subject further increases in imports to higher duties. The amount of duty increase or the quantity of imports to be permitted under quota are intended to be sufficient to remove the actual or threatened impairment by bringing the rate of increase of imports into line with a fair share of future growth in the market in the United States. On occasion it will also be appropriate by quota to roll imports back to a level which restores the standard of living of the affected group of workers and the economic welfare of their communities which had been impaired by excessive and rapidly increasing imports. Such a rollback could be accomplished by an absolute quota, or in appropriate cases, by a tariff quota in which increased duties would be keyed to a trigger point designed to restore imports and domestic products to the relationship in the U.S. market which existed prior to the onset of the increased import volumes which contributed to the impairment of the welfare of the workers and their communities.

It has become customary when any legislation is considered in the trade area offering a possibility for tariff increases or the imposition of quotas for the State Department or its spokesmen in the Congress, to raise an objection on the ground that the exercise by the Congress of its constitutional duty to regulate foreign commerce will violate the General Agreement on Tariffs and Trade. It would not be surprising if someone raised such an objection to this bill. Let me, therefore, treat briefly, but adequately I believe, the GATT question.

Members of this body understand, I am sure, that the constitutional prerogatives of the Congress cannot be foreshortened by an executive agreement. So any commitment in GATT which might stand in the way of this legislation is of no moment as a barrier to the Congress working its will on this legislation.

Further, the Congress has repeatedly specifically refrained from expressing any approval of the GATT. It stands today as it did in 1947 as merely an executive agreement which has never been ratified by legislation nor as a treaty.

But there is no need to return to these basic considerations to deal with the State Department's favorite gambit in these matters. The fact of the matter is that the enactment by the Congress of H.R. 478 will not in and of itself raise any duty, withdraw any tariff concession, or impose any quota. These events surely would become possibilities if H.R. 478 is enacted, but they would occur only when, in the future, some labor organization or other interested party invoked the remedy provided by this bill, and secured a favorable finding of the Secretary of Labor and action by the President.

The General Agreement on Tariffs and Trade itself contains several provisions under which actions taken under the provisions of H.R. 478 would be consistent with, and not in violation of GATT.

First, and foremost, article 28 of GATT provides two independent bases for the withdrawal of a tariff concession by the United States, and other member nations too, for that matter. It provides, first, that at 3-year intervals, just prior to the anniversary date of tariff concessions, any member country has an absolute right to withdraw completely or modify any concession which it has granted in GATT tariff negotiations. Other nations have invoked this provision; the United States has yet to do so.

Second, article 28 of GATT provides that any nation may withdraw or modify a tariff concession at any time because of special circumstances. A number of U.S. industries have petitioned the executive branch to modify U.S. tariff concessions on selected products under this provision of GATT, but thus far these requests have been denied. In explanation of this refusal to exercise an unqualified right under GATT, the executive branch has stated that it is the administration's policy to do so only under extraordinary circumstances. One such circumstance, according to the executive branch, is to deal with the situation created by judicial decision or by legislation. Thus, the executive branch acknowledges that it has a means within GATT, and consistent with our undertakings under GATT, to increase tariffs selectively by modifying or withdrawing tariff concessions for special circumstances such as compliance with legislation. Should the President determine to increase the tariff on a product or group of products which are the subject of a favorable finding by the Secretary of Labor on an application filed under the pending legislation, article 28 of GATT is available to enable the President to proceed without violating our GATT commitments.

Of course, if this legislation is enacted, it is possible that in the course of time the President may determine to modify or withdraw concessions at times which coincide with the unqualified right of the United States to do so at the 3-year intervals which mark the assured life of tariff concessions under GATT. These concessions are not permanent, you know, they have an assured life of 3 years, and are extended automatically for a new 3-year period unless just prior to the termination of the 3-year period a nation exercises its unqualified right to modify or withdraw particular concessions.

The General Agreement on Tariffs and Trade also contains at article 19 an escape clause providing in substance that a member nation may modify or withdraw a concession when it is found that increased imports have resulted in actual or threatened injury to a domestic industry. One species of serious injury is a loss of employment, or of earnings of workers, either absolute or relative, much as the criteria of impairment of the standard of living of workers in the pending legislation contemplate. Accordingly, the United States could, if it wished, proceed under the GATT escape clause to modify or withdraw tariff concessions determined by the President to be necessary to remove the impairment of workers' standard of living or of the economic welfare of their communities under the procedure of the pending legislation.

The President would also be empowered under this legislation to select bilateral or multilateral trade agreement negotiations with affected supplying countries as the "action he deems appropriate to remove such impairment or threat of impairment." If the nations whose exports to the United States are impairing the standard of living of U.S. workers agree to restrain their exports to a manner likely to remove the impairment, the fact of agreement between the United States and the affected nations would prevent a violation of GATT from occurring.

The significance of the pending legislation, therefore, is that it gives the President special authority to deal with situations which his most knowledgeable Cabinet officer with responsibility for labor standards and the welfare of American working men and women advises him require his action, if the public policy of the Fair Labor Standards Act is to be achieved. Once the President decides to act under this legislation, the procedures exist under which he can do so with due regard to U.S. rights and obligations under GATT.

Mr. Chairman, I have presented the above outline to fully express our intent with regard to this legislation. Although the Secretary of Labor will, quite appropriately, establish additional procedures and regulations in accordance with proper and effective administration of the bill's provisions, we would not want the heretofore stated basic tenets violated in any fashion.

Mr. Chairman, the committee report goes into extensive detail regarding the consideration given this bill, and the need and precedent for it. I would only touch briefly on these points now.

It has been stated by my able chairman, the gentleman from Kentucky [Mr. PERKINS], that this bill was considered since hearings began on it August 29, 1966. This is fact. We heard witnesses from industry, labor, and Government. Our hearings were open to all, and we heard from every individual or group who had something they wanted to say that was germane to the question before us.

The need for the legislation, Mr. Chairman, is amply spelled out by the reams of testimony recorded in the hearings and, to some extent, reproduced in the committee report. I might add that I have witnessed few bills with less opposition than this one. Support for it was enormous, and was reflected in the overwhelming and bipartisan approval granted it by the Committee on Education and Labor on August 15, 1967.

As for the propriety of the bill, Mr. Chairman, may I refer to the "background" portion of the committee report. One can easily see that we are invoking

a procedure implied in the substance of the Fair Labor Standards Act, and stated in the legislative history of the act. We are fulfilling the act's basic declaration, and following the actions of so many who first considered the act. We are also consistent with similar provisions found in the National Industrial Recovery Act. Finally, we are amplifying an existing provision of the Fair Labor Standards Act. In all respects, our action today is only a belated recognition of something intended so long ago.

Mr. Chairman, my association in this area goes back many years. I will not belabor or bore this body with that recital. I will only say that H.R. 478 is an act of justice to our workers and those who depend upon them, our firms and industries, and our communities. I suggest that is the substance of this Nation, and a substance we should be ever mindful of. We can, under no circumstances, permit an erosion of any one of these bases. To do so, would be a tragic disservice to the Nation for which we stand.

I include a list of unions and industries which support H.R. 478:

UNIONS WHICH SUPPORT H.R. 478

1. United Textile Workers.
2. National Federation of Independent Unions.
3. Leather Goods, Plastics & Novelty Workers Union.
4. District 50, United Mine Workers.
5. United Brick & Clay Workers.
6. United Glass & Ceramic Workers.
7. International Molders & Allied Workers.
8. United Cement, Line & Gypsum Workers.
9. Distillery, Rectifying, Wine & Allied Workers.
10. International Woodworkers Union.
11. Upholsterers' International Union.
12. International Ladies' Garment Workers Union.
13. International Brotherhood of Operative Potters.
14. Chemical & Atomic Workers Union.
15. International Association of Machinists & Aero Space Workers.
16. Glass Workers Protective Leagues of Indiana, Ohio, Pennsylvania and West Virginia.

INDUSTRIES WHICH SUPPORT H.R. 478

1. Luggage and leather goods.
2. Millinery.
3. Handbags.
4. Footwear.
5. Marble.
6. Dairy products.
7. Fruit and vegetable growers.
8. Beef cattle producers.
9. Automobile tire accessories.
10. Tanning.
11. Fishing.
12. Steel.
13. Bicycles.
14. Sporting arms and ammunition.
15. Watches.
16. Clinical thermometers.
17. Glass.
18. Electronics.
19. Athletic equipment.
20. Forestry.
21. Plumbing-heating—cooling materials.
22. China.
23. Residual fuel oil and natural gas.
24. Pig iron.
25. Bourbon.
26. Wire.
27. Cast iron soil pipe.
28. Bicycle brakes and parts.
29. Lead-zinc.
30. Shears, scissors, and manicure implements.
31. Macaroni.
32. Candles.
33. Shipbuilding.
34. Jute, flax, and hemp producers.
35. Furniture and furniture parts.
36. Wooden clothespins.
37. Chemicals.
38. Plastics.
39. Industrial fasteners.
40. Dye and dye intermediates.
41. Safety pins.
42. Textiles: Knitted outerwear, corset and brassiere manufacturers, lace and embroidery, cotton and manmade fiber apparels.
43. Work gloves.

Mr. Chairman, ever since the beginning of time and manmade products, when man reached the point where he made more products than he could use, he sought a market for such products. It was this seeking of markets that caused the movements of peoples and the creation of different empires and republics all over the world. As man has progressed, the problems have become more confusing, because all men today in every nation can produce goods. There is no hidden secret held by a few in any particular nation in the production of goods.

With the advancement in technology and the increased knowledge of man, as it is demonstrated by the great advancements in transportation and communication and in the production of goods—to the point of a surplus that becomes a menace to the welfare of the people—we have moved forward to the point where we now must recognize, as we should have done a long time ago, that the movement of goods is the most important matter before the people of all nations.

Nations first strive to become self-sufficient, and this Nation to its credit has spent more money and more effort than any nation since time began to help make other nations self-sufficient. But the greed of man must always be recognized and acknowledged, because apparently after self-sufficiency comes the demand and the desire for gains from the production of goods beyond the needs of the people. It is this production of surplus that causes the troubles we now are in. We are a nation of self-sufficiency, and have been before any other nation reached that stage, in most of the products required by your people—certainly in the necessities and in many of the nonessentials.

However, in our desire to help other peoples we have become a little overenthusiastic, forgetting our obligations to our own people. There has grown up a theory in this country that all the evils of the world will be cured so long as we operate on a basis of giving of ourselves at all times without demanding something back. So some nations have become producers of goods solely for the purpose of selling in the American market.

The American market cannot sustain the onslaught of the productivity of the rest of the world. We can almost with immunity to our own welfare accept approximately 5 percent of all market consumption of any goods from outside the country. But when we get to the magic figure of 5 percent, we reach a stage where the growth of that particular industry stops. This has been proven by a computerized study by one of the great organizations that has been looking into this matter for many years, the Trade Relations Council. They found that 5 percent seems to be the magic figure at which point this Nation must stop, look, and listen.

Every increase in percentage of imports into the market beyond 5 percent not only stops the growth but also takes the new growth from the increased population.

The best illustration is on a very simple item. We are used to talking, in trade, of the great and basic industries of steel, textiles, glass and coal, but we seem to forget that the greater portion of employment in this Nation is in secondary manufacturing, in processing, in providing raw materials.

We have neglected to give consideration to the fact that when we fail to protect to the best of our ability the manufacturer of, let us say, buttons, this has a serious effect.

Do the Members know there is only one button manufacturer left in the United States? That is no great catastrophe, it is said, because button making is an unsophisticated industry.

In my book, there are no unsophisticated industries. There are no dispensable industries. Every industry and every productivity is indispensable to an economic complex. For the man who works in a so-called dispensable or unsophisticated industry his job is just as important as the job of a man who works in the so-called basic or required industries of the Nation. The investor who puts his money into that little enterprise needs and deserves the same protection as the investor who puts his money into a large enterprise.

This results in the death of the so-called small communities, where small enterprises once existed, and still do in some cases. That has brought us to this point today, where we, for the first time, recognize that the major point to be considered, and the criterion that lends itself most to making a determination on the basis of the impact of imports, is the wage paid in the respective countries which are trade partners.

We in this particular legislation are not moving away from the original concept of those who first passed the fair labor standards legislation. Lo and behold, in studying the records of the past I came up with some astounding information. I found, for instance, that when the President of the United States at the time, Franklin D. Roosevelt, sent a message to the Congress, in the 75th Congress, on the minimum wage and maximum hours, he made a statement that the legislation was aimed at creating a condition which would benefit the working people, protect their health and their welfare and well-being. He went on to say that any goods produced in any State or in any area not covered by the minimum wage and maximum hours law ought to be considered as contraband and ought not to be allowed to pollute the channels of interstate commerce.

The U.S. Senate, taking heed from his words and his message, passed the very

first bill on minimum wage and included therein the very mandate we are putting into this bill today. But they did it in a more forceful manner. They considered that goods produced domestically and foreign should not be moved in the channels of interstate commerce in the United States unless they were produced under the standards set by the Congress of the United States.

So in this legislation we do not go to the base of the average wage. We do not go to the high wage. We go directly to that wage which we negotiate.

We, the Members of Congress, are the ones who negotiate and mandate the minimum wage in this country. We have reached a minimum wage that now raises a serious situation when you are dealing with many small industries in this country which operate near the minimum wage level as their standard wage. We find now on February 1 that the minimum wage goes to $1.60 an hour. If you want to realize what that means, let me just give you a little illustration of the most serious condition we have existing in the country today. This is the problem of textiles. There are those who ask the question as to whether if this legislation is passed it would in any way impede the progress of the Mills bill which has been cosponsored by many Members of Congress, dealing with the problem of textiles. I say it will not. I say it will complement that bill, because the most important major industry today in the United States affected by imports, the one which is in the most serious condition regardless of the stock market fluctuations in the stock of the companies that produce textiles is the textile industry. That is in the most serious condition of any major activity in production in the United States at this very moment.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. DENT. I am delighted to yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Chairman, I am very happy to join the gentleman in supporting his bill and commend him for the attitude which he has taken today as he has consistently done in the past toward all American industry but particularly the textile industry. I am particularly delighted that the gentleman is suggesting to the House that there is nothing in this bill that would in any way cause him to lose his ardor for the bill which the gentleman from Arkansas [Mr. MILLS] and several others of us have introduced relating to textiles. This bill I think should be passed as complementary to the presently pending legislation, which, in my judgment, is one of the most forward moving steps we have taken in many a day here in the House. I hope all of our colleagues will join the gentleman from Pennsylvania in approval of this legislation and in the further step which will be taken later in other legislation.

Mr. KUYKENDALL. Mr. Chairman, will the gentleman yield?

Mr. DENT. I will be delighted to yield to the gentleman.

Mr. KUYKENDALL. Mr. Chairman, I wish to join with the gentleman from North Carolina [Mr. WHITENER] in those remarks concerning the textile industry. As the gentleman from North Carolina pointed out, there are several Members who have introduced bills on the matter of textiles. My bill, which I believe is identical to several other bills introduced, H.R. 12045, on the first page of that bill, points out that these imports contribute to reduced employment opportunities for U.S. workers in the U.S. textile industry, which is exactly what the gentleman in the well just got through saying. I want to join with him and congratulate both Mr. DENT and the ranking minority member for the work that they have done on this bill.

Mr. DENT. I thank you very kindly.

Mr. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from New Jersey.

Mr. DANIELS. Mr. Chairman, I wish to join my colleagues in commending the gentleman in the well, the chairman of the General Subcommittee on Labor, for the wonderful job he has done in connection with referring this bill for action on the House floor today.

I serve as a member of this subcommittee. I have served on it for the past two Congresses. I am fully familiar with all of the good work and energy and time that has been put into this subject matter by the gentleman in the well. I do not think there is any Member of this House who is as knowledgeable as the gentleman from Pennsylvania when it comes to the question of imports and exports. I think the chairman is an expert on this subject, and I want to congratulate him for his efforts and the hard work that he has put into bringing this piece of legislation before the House. I hope every Member of this House will join with him in supporting it.

Mr. Chairman, I rise in support of H.R. 478, a bill to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas.

Mr. Chairman, as a member of the General Labor Subcommittee, a subcommittee headed by my good friend, the able gentleman from Pennsylvania [Mr. DENT], I have listened to almost every minute of the testimony and for this reason I am unequivocally in favor of the pending measure.

I urge all Members of this House to read carefully the committee report as I think it spells out the need, in no uncertain terms, for this bill. But as one who heard almost all of the testimony, I can tell you that only rarely in my service have I heard a more eloquent plea for action than from the parade of witnesses who appeared before the subcommittee.

To a man, those who appeared before us told of the ruinous effect of foreign competition upon their industry. I might point out that our foreign competitors have one advantage, lower wages. They explored with us the various avenues they had vainly explored in seeking redress.

Their pleas, Mr. Chairman, were not those of industries asking governmental protection so that they might glean the last few dollars out of an inefficient operation. They were not those of workers who lost their jobs and were told the reason was foreign competition. And they were not those of community representatives in Washington for Federal aid.

Their pleas, Mr. Chairman, were those of labor and industry, community representatives, and other parties who have been and continue to be significantly and adversely affected by low-cost foreign competition.

Their voices found reception during the hearings and they told the tragic story of our production facilities, the workers who man them and the communities who depend upon them, and how those facilities are being continuously and persistently eroded by unfair competition from abroad.

Mr. Chairman, among those who testified were my good friends and constituents Ernest Mosmann and Charles Cole, who represented the Schiffli lace and embroidery industry, a major employer in northern New Jersey. They told of the decrease in employment in the domestic industry, the tremendous disparity between domestic wages in the industry and wages paid workers of foreign competitors, and the similarity of the industry's technology here and abroad. The problem they discussed was like the others—cheap foreign goods competing with like domestic goods in the U.S. marketplace, underselling our goods, and thereby creating reductions in the domestic industry and its work force.

Mr. Chairman, I support trade among nations and recognize it as being beneficial to our mutual understandings, in addition to often allowing us access to goods we do not produce. I even favor a sharing of the vast American market with our sister nations.

I do not, however, favor turning over our production facilities, workers, and communities to foreign nations. H.R. 478 establishes procedures which insure the fair consideration of these components to our economy and society in our trade relationships with other nations. In that respect, Mr. Chairman, I most enthusiastically support the bill and urge my colleagues to do likewise.

Mr. DENT. I thank the gentleman very much for that statement.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DENT. I am happy to yield to the gentleman.

Mr. ICHORD. Mr. Chairman, I wish to compliment the distinguished gentleman from Pennsylvania. I know that all of the Members of the House are well aware of the fact that the gentleman from Pennsylvania is the expert of the House in the field of imports. He has worked indefatigably the past several years to make known to the Nation the effect of excessive imports on American industry.

I would like to ask the distinguished gentleman from Pennsylvania [Mr. DENT] if the gentleman still professes to be a "free trader"; that is, does the gentleman still support the basic premise that if this country, for example, can make automobiles more efficiently and more economically than can country X,

and country X can better produce bicycles, then this Nation should manufacture automobiles and sell them to country X, while country X should make bicycles and sell them to the United States.

Does the gentleman in the well still adhere to the concept of free trade?

Mr. DENT. In the words of our good friend, the distinguished gentleman from Maryland [Mr. FRIEDEL], I am glad that the gentleman from Missouri has asked that question, because the philosophy behind it bears very heavily upon the opportunity of the trading of goods between nations when such goods are required by the various nations doing the trading, or when such goods are of benefit to the consumers within that nation.

However, "free trade," in the concept of Adam Smith and Henry George is as dead in my opinion as that concept of the old days of trying to carry on the transportation of this country upon the back of a horse or in a horse and buggy.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, the gentleman from Pennsylvania is saying that the concept of free trade is one that grew up in an era in which we had the laissez-faire system and is not always applicable today. Is that what the gentleman is saying?

Mr. DENT. That is exactly what I am saying. As the best illustration of that fact, permit me to state to the gentleman that we have always said that we must have our borders open to those products which we do not produce in an honest area of operation where the motivating factor was not the promotion of trade as such, that would be a concept that could be carried even further than just the necessity of the philosophy of either "you have" or "you do not," and which does not take into consideration the fact that particular is a nation that is growing and is a nation which needs to sell its products in order that it may expand its trade and make itself sufficient. These are only concepts. However, that is not the manner in which we act.

For example, Mr. Chairman, just yesterday we read in the papers—and all of us remember years ago when we were in school we read about the Caribbean and the islands of Central America as well as the northern part of South America, as being the "banana country," as the "banana areas," because basically, they had bananas to sell.

Now, at the moment and in the normal procedure we talk about free trade and let bananas flow into the countries of free trade. However, De Gaulle has, perhaps, placed a different connotation upon the expression of "banana trade." He has gone down to Guadalupe and Martinique and has closed the doors and has declared that the bananas from Martinique and Guadalupe be declared to be French and are therefore superior in quality and that the bananas coming from all other republics are inferior and that therefore, one should not buy them.

But I say for the RECORD that he is going to squeeze the same concept into the structure of the Common Market.

I suggest that this is something upon which a definite line of demarcation cannot be drawn. I feel that it is a problem with which we must deal, and is a concept of free trade with which we must deal.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, of course the gentleman in the well [Mr. DENT] voted for the minimum wage law, and I might say that I joined the gentleman in the well since I have been in Congress, during which period we have increased the minimum wage law twice, and I voted both times for those increases.

But I did not hear any discussion about imports at the time we were considering the minimum wage law, although we know that when we raise the minimum wage laws there is danger that some of our manufacturing businesses, particularly those in which labor costs are a substantial part of the finished products, will be in a serious situation insofar as competition with cheaper foreign labor is concerned. I would point out to the House that in many instances our cost of labor is three or four times the cost of labor of our foreign competitors. This is often true in the case of our Japanese friends.

Mr. DENT. Might I say in answer to the gentleman that in the discussion on the floor the gentleman from Nebraska [Mr. MARTIN] I believe, asked me what I was going to do about the dangerous situation of raising the minimum wage in this country when I had been talking about the dangerous level of imports. And as I remember my answer—and I probably do not remember it verbatim, it is a little cloudy after so many months—but I remember saying to him that I would make a promise to this House and to the gentleman from Nebraska that immediately upon the passage of the minimum wage bill I would, as chairman of that committee, start to hold hearings on the basis of the minimum wage and the impact on imports when the minimum wage was applied to American working standards, and I have done that.

I want to say that the reason I did that was because every industry that appeared before our committee to protest the increase in the minimum wage played back upon the fact that they had to compete with foreign imports. At that time we promised every industry—and if you will recall, when the bill for the minimum wage came before this House that many of the industries who were historically in opposition to a minimum wage increase did not fight that legislation because they had the word of our committee that we would come before the House with this legislation, and we are here now before the House to keep our word.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. DENT. Yes, I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, I would like to compliment the gentleman from Pennsylvania. I have had the opportunity of listening to the gentleman talk many times on this subject. The gentleman has spent a good many years studying this subject. I would like to ask the gentleman a few questions.

First of all, does not the thrust of this legislation now before us from this committee, Mr. Chairman, make a distinction between an American industry that locates outside of the United States for the purpose of manufacturing products to be resold back into the United States, as distinguished from an American company that locates in a foreign country for the purpose of supplying the foreign market?

Mr. DENT. That is precisely why I said to the gentleman from Indiana a minute ago that we could no longer talk about international trade in the same vein as it was talked about years ago, because new and different problems have presented themselves, and the one that the gentleman has just put his finger on is one of the most serious; that is, that industries within the coverage of the minimum and maximum hour law in the United States are now able—under this new concept of trade—to move lock, stock, and barrel to an area outside the umbrella of the minimum wage law, and produce goods to send back to the United States market, which goods flow with interstate trade along with and commingled with goods that were produced under the standards of the minimum wage law.

It was this problem that started me on the search to find out how can we answer that; what can we do?

We are not only being polluted, as Franklin D. Roosevelt said, with goods produced in low-wage countries, we are being polluted—and in the textile industry also, mind you—with goods produced by American industries overseas which are sent back here to our markets in the United States in competition with our industries who have to pay the minimum wage.

Mr. WILLIAM D. FORD. I would suggest to the gentleman that a perfect example of this is what is happening in the automobile industry which is of great interest to those of us not only from the State of Michigan but almost every State in this country. This is what is happening in the automobile industry.

I have just had occasion to see a Senate report showing the awful impact of the Canadian auto parts agreement that this Congress passed 2 years ago over the vigorous objection of some of us.

That report indicates that the flow of trucks for example across the border between Canada and the United States has been reversed and that now we are importing five times more trucks from Canada than before the agreement.

If in the spirit of free trade we were helping some Canadian nationals in some way other than those employed in factories, it might be a true free trade situation.

But this report also indicates that 99 percent of automotive production in all of Canada is by three wholly owned subsidiaries of the American Big Three, Ford, General Motors, and the Chrysler Corp. So there is in fact no truly Canadian automobile industry to be benefited.

Neither the chairman nor I can go across the river and buy a car and bring it in duty free because only a bona fide automobile company located in this country that produces a minimum of 20

fully equipped, ready-to-drive automobiles in the preceding year is eligible to bring in automobile parts and components on a duty-free basis.

So Ford can buy from Ford of Canada, its wholly owned subsidiary, automobile parts manufactured at an average labor cost considerably cheaper than in the United States, with 10 percent Federal excise tax attached to it, and no tariff when it comes across the border.

In my district people are losing jobs as a result of this situation. As a matter of fact, the Senate report shows that pursuant to the law that we passed in connection with the Canadian-American auto agreement which provides compensation for people who lose jobs as the result of a job being exported through these means, 1,100 people have already been declared to be unemployed as a result of this agreement and they are now receiving Federal funds.

Mr. Chairman, I thank the gentleman for yielding.

Mr. DENT. Mr. Chairman, I thank the gentleman for his remarks.

I want the gentleman to listen to these figures. It may interest him a little to know, while we have been looking overseas, and most of us are from the eastern and central part of the United States, usually when we see a foreign car, we see a Volkswagen or a Fiat or a Renault or one of the so-called European area cars. But an astounding figure was put out the other day by the U.S. News & World Report, and if nothing else that I say today impresses you, this ought to impress you.

It points out that the Japanese are the second largest producers of automobiles in the world. There were produced last year a little over 10 million automobiles. The United States and Canada combined produced less than 50 percent—and the other 52 percent were produced in other countries—with Japan leading the pack.

This is a most serious thing and I want to read it so that no one can question my authority for saying this.

I would like to read it at this time because it is something that has just shocked me. Of course, I do not want to shock you, but it is so serious that we ought to give it a lot more consideration than what we have been giving it in the past.

Japanese automobile production was 1,453,000 cars in the first 6 months of 1967 with 25 percent of those cars, plus all the trucks which are not counted in the 1,453,000, being shipped to the United States of America.

And Volkswagen, which has lost 15 percent of its 1966 worldwide business all over the world, picked up a percentage in the United States where they sold in America more units—a total of 42,000 units in August.

We cannot provide the market for the world. I do not care how hard we try, but we cannot provide the market for the whole world.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. SIKES. First, let me applaud most warmly my distinguished friend, the gentleman from Pennsylvania, for his stand and for his contributions in this very important field. He is one of the most knowledgeable men in the House of Representatives and one who has worked very hard to try to correct these problems that now beset us in this field.

It is most commendable that the distinguished gentleman and his committee have brought this bill to the floor of the House. This is an important step and it is a very badly needed step. I think, however, we must accept the fact that it is a small step. There is much more that is needed. I sincerely hope we will be able to follow on from this first step. This is a beginning which shows what can be done and particularly in the field of textiles where we do have problems and the gentleman is familiar with them. I know he is sympathetic and I know he has the same interest in these problems that many more of us have.

Let me say that this is a needed and an important measure. I hope that it will pass unanimously, and that it will be speedily followed with other measures which are so vitally needed to correct deficiencies in this area.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DENT. I am happy to yield to the gentleman from Nebraska. I see many of my friends seeking recognition, and I do not want to lose any.

Mr. CUNNINGHAM. I wish to commend and congratulate the distinguished gentleman from Pennsylvania. This is good legislation and it is long overdue. I have been speaking out on this subject for a long time, as the gentleman has. He has been very active in it. He has brought this legislation here. I am concerned with all the imports that are coming in. I have a little selfish interest also in that I represent a city that is the largest meatpacking and livestock center in the world. It is great cattle country. We are concerned about the imports of foreign beef in this country. I wish the bill had a little more to say on that subject. I am content with what is in the bill at the present time, however, and I hope we can expand on it. My main purpose in rising is to give my full support to the gentleman from Pennsylvania and to commend him for all the work he has done. I hope that this measure will be voted overwhelmingly into approval and sent over to the other body. I have not followed what they have done in this field. In any event, I should like to see this issue resolved and sent down to the White House. Then we will be able to get rid of this problem that concerns not only my own State of Nebraska but almost every other Member's State.

I thank the gentleman.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California, the ranking member of my committee.

Mr. BELL. I would like to add my word of commendation for the very excellent job which the chairman of the subcommittee has done, particularly on this subject. I have had an opportunity for many years to work with the gentleman from Pennsylvania, and I have found him to be most effective in very thoroughly studying any problem he takes up. That applies particularly to the present subject before the House.

Mr. DENT. Mr. Chairman, I wish to say to the House that without the very kind and often courageous assistance given me by the gentleman from California, as the ranking member, it would not have been possible to overcome the fears of many of the members of our subcommittee and full committee. There apparently appears to be some kind of dread feeling on the part of many Americans, and particularly those in public life, that something terrible is going to happen to the people of this country if we do not stand up for the rights of our people in the area of trade. That was the fear which the gentleman from California, the ranking Republican member on my committee, helped me to dispel. Without his help, I say to the House as honestly and as sincerely as I know how, without the help of the gentleman from California, Congressman BELL, I doubt that we would have had the privilege of being here today in a bipartisan effort to do something for this country.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from South Dakota.

Mr. BERRY. I wish to join with the very many who have commended the gentleman from Pennsylvania, not only on bringing this legislation to the floor, but on his years of work in this regard. In my judgment this bill is the culmination of a good many years of work and study on his part. I have been interested in the comments of those particularly interested in textiles. Of course, textiles are severely hurt. But all you have to do is to take a list of industries, including steel, textiles, steel products, lumber, lumber products, minerals, mineral products, and automobiles to mention only a few. All of these industries are being hurt and will be hurt until something is done. This is, after all, a kind of foreign aid program. It is a sort of bigheartedness on the part of Americans to let this stuff all come in.

But, as the gentleman from Nebraska just said, it is not only industry that is hurt. Agriculture has been suffering for a long time and imports are putting 4 or 5 percent of the farmers off the farm every year, because they cannot compete with this cheap foreign production.

I call your attention to imports from Japan, I would remind the gentleman from Pennsylvania, it is not just the minimum wage that causes this trouble. When the constitution of Japan was written, after the war, we made certain there was written into that constitution the provision that they never could defend themselves again and could not build up a defense system, so they have no tax for defense. We have a tax, and 50 percent of our tax is for defense—not only the defense of the United States, but the defense of Japan. This has to be added onto the price of the product we produce in this country, but it does not have to be added onto the price of the product produced in Japan. This is another thing that the President and the Secretary should take into consideration

when they are considering what a reasonable tariff rate should be.

Mr. Chairman, because of my long concern over the ruinous effects of imports on our economy, I am glad to support this legislation which is designed to relieve domestic industry and labor injured by increased imports. To me, this bill indicates that Congress is slowly realizing the disastrous impact of foreign made goods and might possibly authorize some kind of protection for the American farmer.

When so many industries are damaged—the wool industry, the mink industry, the steel industry, the textile industry—it begins to look like there may be support for protecting agriculture, too. Since the economy of my district is chiefly agricultural, I would like to point out some facts which clearly show the harmful effects of agricultural imports upon South Dakota's economy.

While industry has suffered at the hands of the importers, it has usually been the agricultural producer in America who has been used as the pawn in international trade and who consequently has often borne the brunt of the impact.

When the Kennedy round of negotiations began in Geneva in 1963, and most tariffs were cut by around 50 percent, a simultaneous blow was dealt the American agricultural producer. During 1963, nearly 4 billion pounds of beef and veal were imported into the United States, driving the domestic market to new lows.

Despite a 1964 law by Congress to establish a quota formula, beef and veal imports are rising once again, up 23 percent in the first 3 months of this year over the same period in 1966.

In order to give you some idea of how this policy has affected the economy of the State, I have converted the 1963 level of imports into their "liveweight" equivalent to compare imports with domestic production. Thus, the 1963 imports required the retirement of 82 million acres from production.

But not only did imports represent 11 percent of the beef consumed domestically, the imports exceeded the production of North and South Dakota, Wyoming and Colorado for the same year—and these are all great beef-producting States.

In all, the high cost of our import policy is more than $2.2 billion to the American agricultural producer alone each year. This figure represents the amount of competitive imported agricultural goods which are a loss to the American producer because they were not produced in the United States.

We must not, however, in light of these evidences of strong threats to the American farmer and rancher allow jobs to be lost, markets to be flooded and the economy to be jeopardized in the name of "free trade" which is actually a one-way street to the United States.

I would therefore urge passage of H.R. 478 hoping that it will prompt some action to benefit the farmer.

Mr. Chairman, I thank the gentleman for yielding.

Mr. BERRY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. DENT. Mr. Chairman, I agree with the gentleman from South Dakota.

Mr. Chairman, I yield now to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON of Pennsylvania. Mr. Chairman, I compliment the gentleman on this excellent bill, to help give legitimate protection to U.S. industry and our U.S. workers against unfair competition. As the House knows, I represent one of the large international trade cities of the world—Pittsburgh, Pa. As such representative, I have not favored high tariffs nor high tariff walls that are trade barriers. This is not a high tariff bill. This is a bill that really is based on reciprocal trade policies, but it has a good Yankee bargaining premise to it. Likewise there is the purpose of preventing dumping and unfair competition from abroad by low wage and foreign government subsidized products that hurt our U.S. industries, and hurt seriously in many instances, which this administration ignores.

We have heard of a necessary and practical limitation of 5 percent on imported products in any U.S. industry or manufacture, trade, or agriculture field when imports in any segment of the U.S. economy get above 5 percent of total U.S. production, that amount really hurts the industry seriously and impairs the efficiency of U.S. production in that area. As a member of the House Committee on Science and Astronautics—and I am the ranking minority member of that committee—I would like to add this. Imports of products over 5 percent of U.S. production in any field of activity, not only hurt that particular industry—but they likewise prevent future progress. There is no room in that kind of foreign overwhelming competition for U.S. science and scientific development and technological progress. So the American people, U.S. business and agriculture, the U.S. workingman and farmer are hurt doubly, not only now, but for the future.

The bill is a good step forward in placing responsibility for injurious policies, and to require the Secretary of Labor to make studies of industries on which complaints of serious injury through foreign imports, are filed. This bill requires action and also public information at the time the Secretary reports to the President. This bill does not eliminate the need for other legislation, particularly to prevent dumping from abroad, which legislation I have cosponsored.

I do like the approach that under this legislation a community that is seriously injured by industries closing or by layoffs and reductions of employees, can now have standing at law to make complaint and be heard. This is good.

Mr. Chairman, I recommend that the bill passes. I compliment the subcommittee, Mr. DENT of Pennsylvania, chairman, and Mr. BELL of California, ranking minority member, for bringing it up at this time.

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

Mr. DENT. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, the gentleman from Pennsylvania has been indefatigable in protecting the interests of the workingman and the welfare of the Nation. I congratulate him for bringing out H.R. 478. I was particularly pleased to hear the remarks of the gentleman from Pennsylvania in support of the Mills bill on textile imports. I support the Mills bill, since the textile industry—seriously threatened by foreign imports, is very important in my congressional district. As one of the several Members who introduced that bill, I am pleased that the gentleman from Pennsylvania has stated that H.R. 478 and the Mills bill are complementary to each other.

I would like to ask the gentleman from Pennsylvania for his comment on anything additional that this bill will do for the protection of industries such as the coal industry and the steel industry, and chemicals and dairy products. Will this bill have any great effect on these areas also?

Mr. DENT. Mr. Chairman, this legislation is not what might be called a closed-door isolationist policy, because it does not automatically close the door on any product, but if in any of the products or the production units the gentleman mentioned we find that the application of the mandated standards—labor standards mandated by the Congress—makes it difficult or impossible for them to compete in the area of production of products they are in, this legislation gives the avenue to the wailing wall, as it were, to the Secretary of Labor, so that hearings may be held, and after that the President of the United States, if it is found that such imports are injurious to the particular industry or to any product, may issue the kind of orders and give the kind of relief that will save the industry.

Mr. HECHLER of West Virginia. The provisions of this bill would certainly apply to glass also, would they not, I ask the gentleman from Pennsylvania?

Mr. DENT. Glass above all. As the gentleman knows, right now the President has ordered the removal of the last part of the Kennedy increased tariff which saved the glass industry in 1962. In October, as I understand it, that will be removed.

I have in my files letters from American St. Gobain, which refer to their 3,300 workers. Incidentally, they have factories in my district, and they have them in the territory of the distinguished majority leader. They say that in 5 years, if the President proceeds and reduces the tariff to the level it was prior to 1962 and the Kennedy round that was in effect, there will not be any glass industry supported by American St. Gobain.

Mr. HECHLER of West Virginia. I commend the gentleman, and I hope that the bill will be passed by an overwhelming majority.

Mr. DENT. I thank the gentleman from West Virginia.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Chairman, I should

like also to join my many colleagues in complimenting the very distinguished and able gentleman from Pennsylvania, the chairman of the subcommittee.

Perhaps as much so as any other Member of this body I am aware of the long hours and the exhaustive and patient study the gentleman has made of this subject. His subcommittee meets across the hall from my office. I know there has been no greater or more exhaustive study made by a subcommittee on any subject than has been made by the distinguished gentleman from Pennsylvania [Mr. DENT].

I might say the same also of the ranking minority member of the subcommittee, the gentleman from California [Mr. BELL], and the other members, the gentleman from New Jersey [Mr. DANIELS], the gentleman from California [Mr. HAWKINS], and the gentleman from Illinois [Mr. PUCINSKI]. I compliment and thank all of them.

I am deeply grateful to the distinguished gentleman from Pennsylvania for his assurance here on the floor that he will help us in regard to the textile bill, which he so graciously cosponsored. As of the last count, a few moments ago, I believe some 167 Members of this body have introduced or cosponsored the bill.

I assure the gentleman—on behalf of the gentleman from Georgia [Mr. LANDRUM], who is chairman of our textile group in the House, and myself and our group—we support him and we are grateful to him for his support of our industry and its more than 2,000,000 employees, so essential to defense.

I understand that the distinguished Governor from Michigan is down in South Carolina today, and was there yesterday. I might say to him, if I could, that the textile industry, which is trying to keep its head above water, is doing more to employ Negro people and to afford them an opportunity for equality and justice and job opportunity in the Southland than any other industry I know of.

Again I compliment and thank my great friend from Pennsylvania. I hope the bill, H.R. 478, will receive a unanimous vote.

Mr. DENT. I want to thank the gentleman for his very kind words, undeserved as they are.

There are 2 million employees in the textile industry, but if we take last year's textile imports and textile exports and strike a balance, we find that if there were not the bad balance in the textile trade instead of 2 million workers there would be 2,265,000 workers in that industry.

All the money Congress has spent since I have been a Member to create jobs has not even created a small portion of the 265,000 jobs lost in the one industry alone.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

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

Mr. HUTCHINSON. I thank the gentleman for yielding.

I rise in support of the bill.

I have a question. As the bill is written I understand it will be broad enough to include agricultural imports as well as industrial imports. Would the gentleman agree?

Mr. DENT. Agricultural imports were one of the most serious problems which came before our committee. For the first time, under my sponsorship—at times I worried about it very much, and still do—we imposed a wage not even up to the minimum we have for the other industries of the country.

Upon the imposition of that wage we lost the largest strawberry farm in the world out of Texas, because it just moved across to Mexico. We have already lost canteloup production to Mexico and watermelon production. We lost a tomato canning operation in Florida. They say that these are not important.

This is an astounding thing—50 percent of the men in this room today, 50 percent of the Members of Congress, 50 percent of the men in this Chamber today, are wearing suits, clothes, made from imported woolen textiles and worsteds. The same thing happened in the agricultural field in certain foodstuffs.

The CHAIRMAN. The time of the gentleman has expired. The gentleman has consumed 46 minutes.

Mr. DENT. I only have about 10 minutes left. I must yield to the gentleman from California [Mr. BURTON], a member of the subcommittee.

Mr. BURTON of California. Mr. Chairman, I would like to join with those who have commended the gentleman from Pennsylvania, the highly respected chairman of our subcommittee, for his interest and efforts in this field.

I have a few questions that I would like to pose to the gentleman. The first of them is: Is it the gentleman's intention to give any of us on our side, who oppose this legislation, any time? As I understood the chairman, there would be at least 5 of the 60 minutes reserved for those of us on our side who have some reservations about this legislation.

Mr. DENT. I am sorry. I did not take all of the time. I took a great deal of it, but a great deal was taken by gentlemen who stood on the floor and asked me to yield to them. I did not know before they rose whether they would be for or against this. It is unfortunate that those who were against it were not here to take their share of the time. I understand that my time, except for about 7 or 8 minutes, is all gone.

The CHAIRMAN. The gentleman has 9 minutes remaining.

Mr. DENT. So at this time I would yield to the gentleman. I think if the gentleman takes a position in opposition to the bill that he must have time.

Mr. BURTON of California. I just have this one final question.

Mr. DENT. How much time is the gentleman asking?

Mr. BURTON of California. Five minutes.

Mr. DENT. That takes 5 of the 9, and I see a great number of our colleagues from the committee who are here.

Mr. BURTON of California. I have one final question. I listened to the general discussion on imports with interest and now would like to discuss the bill with the gentleman if I may. Am I correct in assuming that an interested party who applies to the Secretary of Labor can just not be any individual crank in the country but must represent an interest of some substance in terms of the interests involved directly in the industry and represent a substantial element in terms of the employee side of the industry?

Mr. DENT. The report clearly states that by interested parties we mean as follows:

> In this regard, the committee intends that an "interested party" reflect some substantial public interest. For example, an employer may properly request an investigation if he represents a significant proportion of the output of his sector of manufacturing, agriculture, or other productive activity. A community may do so by resolution of council, action of head of government, or authorized action of the governing body or head of any community organization which broadly reflects the interests of citizens in the community. Of course, the representative of any employee organization may also properly request an investigation.

We are allowing the broadest interpretation, and it is still not broad enough.

Mr. BURTON of California. It is not the intention of the managers of the bill to permit applications from those who represent nonsubstantial interests in the industry directly involved nor to permit the kind of applications to be submitted which would make it impossible for the Secretary of Labor to comply with a 4-month limitation on the hearings, investigation, and recommendation and findings?

Mr. DENT. Naturally not. As you will find in operation this legislation will give an opportunity to those who have a just grievance.

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, I support the enactment of H.R. 478. I express my appreciation to the distinguished chairman of the General Labor Subcommittee, the gentleman from Pennsylvania [Mr. DENT], and the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky [Mr. PERKINS], for their courage and determination in bringing to the floor of the House a bill which seeks to do justice to the long-neglected American workingman and woman employed by firms and industries whose products must compete in an import-ridden domestic market.

For many years members of this body whose constituents have been cruelly disturbed by low-wage, low-cost, unfair foreign competition have introduced bills and pleaded with the committees and the leadership of Congress for an opportunity to vote for a measure of general scope which would afford a chance for relief from the injurious effect of excessive imports. These efforts have been in vain. Under the closed rule procedure which has protected free trade legislation in this body many of us have been denied our constitutional prerogative to

vote for measures designed to protect the interests of our constituents.

Now the tireless and courageous gentleman from Pennsylvania, after months of exhaustive hearings, has won the nearly unanimous approval of the Committee on Education and Labor, and an open rule from the hard-working Committee on Rules for the consideration of the measure which is before us for action today. The pending bill takes one small step forward to provide a forum for justice to the American workingman and woman whose jobs, income, prospects for the future, and country have been threatened with the disruptive effects of constantly mounting volumes of imports which afflict countless lines of commerce in this Nation.

Very simply, the measure requires the Secretary of Labor to study the adverse effects on American labor of imports produced under substandard conditions by foreign labor. This is little enough to ask. Nevertheless, we can anticipate strong and even violent opposition from the advocates of free trade. It is very disappointing to me that our own Department of State is so strongly enamored with the policy of free trade that we cannot even anticipate the support of that agency in our efforts to give some measure of needed protection to American workmen.

I cannot believe that those who seek free trade are completely blind to the facts. Let us say that they simply have failed to grasp what is happening to American industry because of the zeal with which they have pushed the cause of free trade. It is time for Congress to reclaim its responsibilities for the regulation of foreign commerce. For too long we have surrendered these responsibilities to the administration. It is also time for the President, acting upon congressional directive, to determine whether it is now necessary to take steps for the protection of the standards of living of American working men and women. I think those steps are necessary—even past due.

Mr. Chairman, let me in a few moments sketch the interest of my State and district in this problem. Florida is one of the principal producers of fruits and vegetables in the Nation. Our crop has a market value of about $750 million annually. In the first 6 months of 1967, imports of fruits and vegetables totaled $303 million, on an f.o.b. port of origin basis. On an annual basis, landed cost duty paid, these imports will exceed Florida's entire fruit vegetable crop. These imports are increasing each year and are a definite threat to the 120,000 Floridians who earn their livelihood on Florida's farms.

There are eight counties in my congressional district. There are 320 manufacturing establishments located in these counties. They employ nearly 20,000 of my constituents. Taking into account the average number of persons in each wage earner's family, these manufacturing plants directly support nearly 100,000 persons. Their payrolls and materials purchases circulate in the counties in my district and contribute to the livelihood of nearly 200,000 additional people. These manufacturing plants obviously support the standard of living of the majority of my constituents.

There are no less than 68 manufacturing industries, defined at the four-digit level of the "Standard Industrial Classification," represented in the 320 manufacturing establishments in my district. Statewide, these industries supply about 120,000 jobs for Floridians.

Because of the different classification systems that are used for compiling Government statistics on domestic employment and output in contrast to imports and exports, it is not possible to compare import and export trends with domestic activity for all industries. There are, however, 35 manufacturing industries with plants in my district for which import and export data can be correlated with domestic market data. Eighteen, or more than half of these industries, are experiencing a rate of growth of imports which exceeds that of their exports. Fourteen of these industries in my district have an absolute deficit in their balance of trade. The imports of these industries totaled $3.4 billion in 1966. Their exports totaled only seven-tenths of a billion dollars. The foreign trade deficit of these industries nationally was $2.7 billion. Using the administration's ratio of 100,000 jobs for every $1 billion of trade, this deficit represents a loss of 270,000 jobs in these industries on a national basis.

Let me give you a few examples of the disproportionate growth of imports in the manufacturing sectors of importance to my district and my State.

In meatpacking, imports in 1966 of $808 million, c.i.f. basis, were many times Florida's total output of meatpacking plants, which was of the order of less than $200 million. Nationally, the value of imports on a duty-paid, landed-cost basis exceeded 5 percent of apparent U.S. consumption. Furthermore, imports increased by 70 percent in 1966 compared with the average of 1958–60, while the domestic market grew by only 16 percent.

In canned and cured seafoods, imports of $117 million in 1966 were about 40 times the value of shipments of this industry in Florida. Nationally, imports were equal to about 26 percent of the U.S. market.

In the product categories of the output of sawmills and planing mills, imports in 1966 of $484 million were at least 15 times the total output in Florida. Imports were equal to 12 percent of the total U.S. market. Furthermore, imports rose by 27 percent but the domestic market by only 11 percent in 1966 compared with the average of 1958–60.

In veneer and plywood plants, imports in 1966 of $102 million were about 15 times Florida's output. While recently there has been some decline in these imports, veneer and plywood product imports still amounted to more than 6 percent of the total U.S. market in 1966.

In papermill products, imports in 1966 of $1 billion were enormously greater than the output of Florida's papermills, which was less than $100 million. Nationally imports accounted for 20 percent of the U.S. market. Further, imports rose by 36 percent in 1966 compared with the average of 1958–60, while the domestic market grew only 20 percent.

In manmade fibers, imports of $90 million in 1966 were equal to about one-third of Florida's output. We have two manmade fiber plants in my district, one being the largest nylon plant in the world. Nationally imports of manmade fiber in 1966 in all textile forms on a pound equivalent basis were equal to nearly 9 percent of domestic consumption. Imports rose by 141 percent, nearly double the rate of growth of the domestic market in 1966 compared with the average of 1958–60.

A great many bills have been introduced into the Congress for the imposition of import quotas on textile articles including manmade fibers and textile products of manmade fibers. The enactment of these bills is a necessity. My support of the pending bill should not be interpreted as any indication that the particular remedy set forth in H.R. 11578, H.R. 11582, and H.R. 11723 is not required. I do wish to make it clear, however, that on behalf of the workingmen and women in my district and State generally, I strongly favor the pending bill, H.R. 478, as an important step forward.

There is a primary nonferrous metalmill in Santa Rosa County in my district. Imports of the products competitive with the output of this mill in 1966 totaled $522 million, up by 89 percent compared with the average of 1958–60. Nationally imports in 1966 accounted for 74 percent of the domestic market.

There is a paper industries machinery plant in Escambia County in my district. Imports of this machinery in 1966 totaled $33 million, up by a whopping 619 percent over the average of 1958–60, 12 times the rate of growth of the domestic market. Nationally imports of this machinery accounted for 8 percent of the domestic market in 1966.

Motors and generators are made in my district. In 1966, imports totaled $42 million, up 201 percent from the average of 1958–60, compared with the domestic market growth of only 37 percent.

Mr. Chairman, I have given these examples to illustrate the broad scale impact of the current sharply rising adverse import trends on my district and State. The job equivalent of the balance-of-trade deficit in the products of the industries represented by establishments in my district for which data are available is four times greater than total employment in the State of Florida in these industries.

The more rapid growth of imports than exports in many of these industries and the comparatively high and growing market penetration are danger signals for the stability of employment of the workingmen and women in my district and State.

Testimony presented to the General Labor Subcommittee, backed up by an impressive computer analysis of domestic employment, output, and foreign trade data of U.S. manufacturing industries, shows that when U.S. market penetration by imports exceeds 5 percent, the industry suffers a decline in its rate of growth in employment. The experience of the textile industry confirms the validity of this 5 percent benchmark.

Many of the industries in my district

are now subject to import penetration of the domestic market far exceeding this danger point. It is time for us to establish machinery to evaluate the impact of these import trends on the welfare of our citizens who are employed in manufacturing industries subject to the Fair Labor Standards Act, which puts a floor not only under wages, but under the operating expenses of manufacturing establishments also.

The pending bill would provide such machinery and give to the President power and discretion to take action carefully tailored to the needs of each situation so as to protect the standard of living of the workers from the harmful effects of excessive imports of goods made abroad under substandard labor conditions.

Mr. Chairman, I conclude my remarks by quoting from the testimony set forth in the committee's report at page 11:

> Under a system of just laws, how can we explain the freedom of persons who are not even citizens or residents of this country to ship goods into our markets with impunity when goods, produced here at home under identical conditions would, if shipped, subject the U.S. producer to criminal penalties?

Members of this body have long waited for its committee to face up to the problem of runaway import competition and its effects on jobs, earnings, and the standard of living of American workers. Now the General Labor Subcommittee and the full House Education and Labor Committee have had the initiative and wisdom to bring us the opportunity to support a modest step forward in dealing with these problems in the context of a sensible amendment to the Fair Labor Standards Act. I applaud the committee for its action and support the committee bill.

Mr. DENT. Mr. Chairman, I yield 3 minutes to the distinguished gentlemen from California [Mr. BURTON].

Mr. BURTON of California. Mr. Chairman, it is always a pleasure to serve with our wonderful and distinguished colleague, the gentleman from Pennsylvania [Mr. DENT].

However, it is obvious that within the short span of 3 minutes it is difficult to adequately express one's reservations about legislation that takes on the posture of the trade policies of our country.

Mr. Chairman, this legislation, as I understand it, if adopted, would impose entirely upon the Secretary of the Department of Labor burdens that are not now placed and should not be exclusively within his province. It ignores the real world, in my view, of a free trade policy, a policy that I support. The legislation is not at all clear in the regard that it delegates to the Chief Executive some additional authority, authority of unknown dimensions to do and perform certain unstated tasks with reference to any problem that may be brought to the attention of the Secretary of the Department of Labor.

Mr. Chairman, I would like to point out to the members of the Committee the fact that some of the provisions of this bill, in fact, may be impossible to administer. I would like to point out the fact that the underlying philosophy of the legislation appears to this one Member as a retreat from the free trade policies of our country. Mr. Chairman, I wonder to what extent, if this legislation is adopted, we have gone in extending an additional blank check to the executive department to implement whatever the findings may be of the Secretary of Labor.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from California [Mr. BURTON].

Mr. BURTON of California. Mr. Chairman, I thank the distinguished gentleman from California for yielding to me this additional time.

Mr. Chairman, this area is one that has properly concerned the American people, those interested in the welfare of all people and those interested in our economy.

Mr. Chairman, I feel that the chairman of this distinguished subcommittee, the manager of the bill, as well as the members thereof ought to be commended for the efforts that they have put forth to date. Time has been spent in studying this matter. I would submit that more time would be better spent and perhaps a wiser solution would be found if such time were spent directed toward a real solution of this problem.

Mr. Chairman, there are those who say that we have labored mightily and produced nothing. There are those who say we have labored mightily and have produced an ambiguous product.

I, for one, do not know the full meaning and intent of this legislation, and I say, rooted in my uncertainty, and despite my great affection for the distinguished gentleman from Pennsylvania, the chairman of the subcommittee—I must urge the rejection of this proposal.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. BURTON of California. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, the gentleman from California [Mr. BURTON] says he does not know the purpose of this bill. It is a very simple bill. It merely means that any aggrieved party in this country who realizes that foreign imports are cutting up his industry and are causing the unemployment of his people, can go to the Secretary of the Department of Labor and obtain a report from the Secretary as to the merits of his claim.

And if, indeed, the Secretary finds that their is a serious impact on the American industry it can recommend to the President, who then may take a series of steps for immediate relief.

Mr. Chairman, I believe this is historical legislation. There is nothing complicated about it. There are no gimmicks in this legislation, but it is going to give American industries an opportunity to voice their grievances at a place other than the Tariff Commission.

Mr. BURTON of California. I might say I do not agree with the understanding of the gentleman from Illinois as to who qualifies as an "interested party." It is my understanding after listening to the chairman of the subcommittee that his view and the gentleman from Illinois' view, as expressed by the gentleman, do not square.

I received the following letter from the Committee for a National Trade Policy, just today. The full text of the letter follows:

COMMITTEE FOR A NATIONAL TRADE POLICY, INC.,
Washington, D.C., September 28, 1967.

Hon. PHILLIP BURTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURTON: We applaud your opposition to H.R. 478, the so-called "Dent bill" that would amend the Fair Labor Standards Act in such a way as to mislead and misguide the Congress, American labor, and all the American people as to how the United States should respond to the challenge of foreign competition.

We regard the bill as irresponsible, and indeed an insult to the intelligence of the House of Representatives, the Congress and the American people. We do not employ this language lightly. We mean every word of it. We hope that you will take a forceful position against this bill when it reaches the House floor, and we hope that the House will recognize this bill for what it truly is—a measure that would turn back the clock, leading the American economy back beyond a point of no return we correctly decided to pass more than three decades ago when our current liberal trade policy was launched.

The bill is bad economics and bad politics.

It is bad economics because it sees in the wage gap between American standards and foreign standards a threat to the American competitive position. Every responsible, objective, truly professional assessment of this issue should have taught the Education and Labor Committee that the gap between American labor standards and foreign labor standards is a natural and logical expression of the differences that will always exist in a dynamic, expanding world economy between the American economy and the economies of foreign countries.

The bill is bad politics because (a) it tends to give American labor and the American people the erroneous impression that the Congress, in enacting such a bill, would be giving enlightened, constructive attention to the problems that beset American industry and labor in a rapidly changing world; (b) it would clearly indicate to the rest of the world that the Congress of the United States still does not understand the fundamentals of international economics and international cooperation, and that therefore every country should take with a few grains of salt American declarations of dedication to freer trade and closer international cooperation; and (c) it would place an unreasonable burden on the Department of Labor for purposes that are clearly unsound in principle.

The time has long since past for the Congress and each of its committees—indeed for every member of the House and the Senate—to face up constructively to whatever problems confront their constituents, including problems of foreign competition, and to assert enlightened leadership in finding enduring solutions to those problems in the interest of their constituents and of the nation as a whole.

Please feel free to use this letter in any way you think appropriate in connection with Congressional attention to H.R. 478 or any other bill involving international trade.

Sincerely,

JOHN W. HIGHT,
Executive Director.

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Mr. Chairman, I yield back the balance of my time.

Mr. BELL. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. SCHERLE].

Mr. SCHERLE. Mr. Chairman, I would like to take this time to compliment the chairman of our committee, who has completed a very tedious and industrious job. The House should be deeply grateful for the amount of background and work he has contributed to this bill.

Mr. Chairman, I rise in support of H.R. 478, amending the Fair Labor Standards Act of 1938 in order to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas.

As a member of the Subcommittee on General Labor, I have had the opportunity to participate in 3 months of hearings conducted during the 90th Congress. As as result of these hearings, I am convinced some new tool is needed to protect domestic industries from the harmful effects of foreign imports.

In the case of H.R. 478, we propose to do this by protecting workers and the wage earners from injury by imports produced under substandard working conditions.

One need not be an isolationist to support this bill. One need only to realize the preservation of the American standard of living insists that our agriculture, industry, and labor have adequate insurance against unfair foreign competition.

The Fair Labor Standards Act as it now stands contains severe restrictions, and is left almost entirely in the discretion of the Secretary of Labor. This law needs to be changed if the protection it is designed to give is to extend to these workers producing products which are subjected to serious competition from foreign imports.

Mr. Chairman, in support of H.R. 478 this afternoon I am going to restrict myself to the area of agricultural imports, but that is only one of the many areas covered by the testimony, which also covered such things as textiles, steel, glass, hardwoods, and many other items.

But, as a midwestern farmer, this is the area I know best. The United States is the second largest importer of agricultural commodities, and about one-half of these imports come in duty free. The position of the agricultural segment of our economy was not enhanced by the recent "sell out" at Geneva in the Kennedy round of tariff negotiations.

Not only are we heavy importers of agricultural commodities, but also our tax money is spent to improve the ability of foreign countries to export to the United States. Consider, for example, the situation in Mexico, which has large volumes of exports to the United States, including cotton, live cattle, beef, veal, pork, lamb, mutton, strawberries, and vegetables. Mexico has received agricultural assistance from AID, the Export-Import Bank and the World Bank.

In addition to volume, the timing on these imports is important. The committee received testimony to the effect that imports of agricultural products frequently arrive before the U.S. crops are ready for the market. This timing usually takes the bloom off the market. This same witness stated that high wages had increased costs above the competing price of Mexican produce, and that he was forced to consider a move either to Mexico or another industry. I think you will all agree that $1.54 is pretty cheap labor for an 8-hour day. But that is just what the going rate is in Mexico.

It seems appropriate to me that it should be the policy of our Government, except in those situations where we simply cannot efficiently produce a given product, to do whatever possible to encourage our domestic producers. But the attitude of at least some top Government officials is to the contrary.

For example, in industry—an American manufacturer, attempting to obtain assistance from the State Department, was given the following advice, and I quote from his statement:

> When I was in Washington last October, an official of the Agency for International Development, whom I had seen in order to try and find out what monies were given to my foreign competition, said he was sorry about my problem, and asked, "Would you be interested in locating a plant in an underdeveloped country in order to get cheaper labor? If so, the American Government would finance you." This was *his* answer to *my* problem.

Now that does not make too much sense does it?

We have an abundance of skilled American labor and yet our State Department has offered this manufacturer the opportunity to be financed by the taxpayer and move to a foreign country.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I think the gentleman and I can agree that this legislation is designed to bring relief to the very people the gentleman has so well described here.

There is no question but that the author of this bill should have inscribed as an epitaph, "He saved America from the tyranny of the U.S. Tariff Office," because there is no question but that the Tariff Commission carries two hats. On the one hand, they set the tariffs and then under title III of the Trade Expansion Act of 1962 when there is machinery to bring relief to the very people that the gentleman is talking about, the Tariff Commission refuses to give this relief because the moment they do that they would admit that they were wrong in setting the quotas and the tariffs.

So this act does give that aggrieved party that the gentleman has so eloquently described another place to go to get relief.

Mr. SCHERLE. The gentleman is correct.

Mr. PUCINSKI. I think the gentleman has brought up an excellent point.

Mr. SCHERLE. I appreciate the remarks of the gentleman from Illinois.

This same manufacturer was informed by State Department officials that diplomacy and relations with foreign countries are more important than a small industry as a whole, and naturally even more so than one small company.

This does not make much sense does it?

In agriculture, dairy imports are taking over our domestic markets in rapidly increasing volume. The effect of this is to take away the outlets for substantial volumes of domestically produced butterfat and to keep domestic farm prices from rising above the price support floor. This is forcing our dairy farmers to leave their farms and seek employ-

ment in the cities, thus adding to the labor force.

Dairy imports also are displacing dairy products which otherwise would be manufactured in the United States with the result that employment in our domestic dairy plants is adversely affected. This reduced domestic production of milk caused by imports results in reduced purchases by farmers of farm machinery and equipment. Reduced prices paid farmers for milk brought about by imports results in less purchasing power to this all important segment of our economy. Both of these factors, in turn, mean that dairy farmers will be unable to buy the volume of goods, produced by American labor which they otherwise would require.

The problem which confronts us with respect to imports is, of course, the very substantial differences that exist between world prices and our domestic prices.

This cannot be shrugged off by saying that our domestic prices should be lower. Dairy prices are under a Government program designed to prevent disastrously low levels to American producers. Even at the current support level, dairy prices are substantially below the level needed to provide a fair return to dairy farmers as measured in terms of parity.

The recent sharp decline in milk production should be ample proof that domestic prices cannot be lowered to compete with imports if adequate supplies are to be produced in this country. Domestic prices cannot be reduced to world price levels if the dairy industry in the United States is to survive. Domestic production of adequate supplies of milk and dairy products is necessary to the national security, because we simply do not dare to rely on overseas sources of supplies for these essential foods in times of emergency. Furthermore, the dairy industry is much too important a segment of our total economy to be sacrificed without serious adverse effects on the whole economic welfare of the Nation.

Consider also the meat import situation. While the Meat Import Act of 1964 puts a ceiling on imports, these limits were a result of compromise which has considerably limited its effectiveness.

Importers argue that were it not for imports of beef, veal and mutton, sausage manufacturers and others engaged in the processing field would not be able to keep their labor force busy. These claims simply do not square with the facts.

The aspect of meat imports that is most often ignored is that when a product such as lean boneless beef from Australia, comes into the United States and is consumed here, it already has labor built into it. A 60-pound frozen block of meat arrives, ready to be put in a grinding machine. Thus, those who are employed in slaughtering plants and boning operations do not get the benefit of such original labor.

According to the U.S. Department of Agriculture, it takes 4 man-hours to produce 100 pounds of live beef animal on the farm or ranch. In 1963 alone, 7½ million man-hours of U.S. labor were lost due to imports in beef cattle production alone.

According to information from those close to the meatpacking business, it takes one man approximately 1 hour to dress out one animal. Again looking at 1963, these imports represented a loss of about 3½ million man-hours in the slaughtering process. Thus, we have a loss of 10½ million man-hours in production and processing alone. These figures do not take into account the number of allied businesses involved in the raising, marketing, and transportation field, where additional millions of working man-hours are involved.

Excessive imports reduce the economic incentive in beef production. Both the working force and the consumer suffer.

Gentlemen, the farmer is in a deadly cost-price squeeze. There is no question but that part of this problem results from unfair foreign competition.

From 1 year ago, hog prices are down from 25 to 30 percent, beef cattle down 10½ percent, lambs down 20 percent, and chickens down 18 percent. The parity ratic hovers between 72 and 74 percent, and can be expected to drop even lower as production costs continue to rise. Farm debt increased 4.2 billion in 1966. Total beef and veal imports were up 27 percent in 1966 over the previous year; meat under the Meat Import Act—Public Law 88-482—was up 34 percent; pork imports were up 14 percent; lamb imports up 19 percent; mutton imports up 102 percent.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

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

Mr. ZWACH. Mr. Chairman, I bear glad witness of knowledge of the subject of agriculture presented by the gentleman from Iowa. I come from Minnesota, from an agriculture area. There is a crisis in rural America today, part of it causing the crisis in the metropolitan areas. In Minnesota today, in my district, thousands of dairy farm factories have been closed because of imports. The same thing is happening to our livestock and the beef industry.

My district is one of the main mink farming areas in America. They are under a severe handicap. They are being driven out of business by mink imports.

It is also a honey-producing area, and while this may not be a major product, yet in America it is important, and honey imports are ruining our American producers.

I am convinced in my time here that we have people in the administration, especially in the Office of the Secretary of State, who are much more concerned with the development of other areas of the world than they are concerned with our own people in America.

I have introduced, Mr. Chairman, a textile bill. I am very concerned about that. I am concerned about steel, also. But I am basically concerned about agriculture. One of the major problems on the farm is the tremendous import of agricultural products, and try as we might—and we have—we have been unable to move at all in Washington in this area.

Mr. Chairman, I thank the gentleman for his fine contribution.

Mr. SCHERLE. Mr. Chairman, I thank the gentleman from Minnesota for his contribution. Mr. ZWACH is one of the finest, most knowledgeable, and learned men in the House.

It was reported to our committee that the ingredients of ice cream sold in this country are being imported from countries such as Australia, Belgium, Canada, and Denmark, and that the volume is on the increase. There are strong indications that sugar and butterfat contained in the imported ice cream mixes may come, in a large part, from Cuba and countries behind the Iron Curtain. There they are produced by the equivalent of slave labor. The cheap slave labor that goes into preparing these products is in direct competition with our farmers and process plant workers in this country.

Free trade advocates generally support the legislative enactments which have brought American wages to their high and vulnerable level. Now they blame industry for its inability to carry this handicap in competition with foreign countries where the same wage and hour legislation does not apply and to which it does not extend.

It appears to me that high Government officials would seem willing to wreck industry after industry and then have the Government pick up the pieces through some form of adjustment assistance. This attitude was very well expressed by one of our witnesses when he said:

> If an American industry is efficient, it has nothing to worry about from imports. If imports do cause trouble, the domestic industry must be inefficient and deserves the trouble it is in. In other words, the domestic industry is damned either way. On the other hand, if a foreign industry is inefficient, it needs a greater outlet in this country to help it move ahead.

The legislation here proposed would aid in giving much-needed relief where substandard wages and working conditions places a competing import in a position to impair seriously the health, efficiency, and general well-being of any group of workers in the United States.

We need this legislation, and I urge its adoption.

We have played "Mother Hen" to the nations of the world, Mr. Chairman, since World War II. We have implemented the Marshall plan, we have implemented the program of lend-lease, and we have taught these nations of the world to be self-sufficient and self-sustaining. I think this is excellent. It served its purpose. However, because of the technological advances that have taken place in these countries to the extent that many have become "export nations" it is the responsibility and the obligation of this country to make sure that our industries and the economy of this country are protected.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. Yes; I yield to the gentleman from Missiouri.

Mr. ICHORD. Mr. Chairman, as was brought out earlier in my colloquy with the distinguished gentleman from Pennsylvania there are few Members of Congress who do not support the basic position that free trade is the best policy for our Nation. The elementary principle, that if the United States can best manufacture automobiles and country X can

more efficiently and economically produce bicycles, the United States should manufacture and sell country X automobiles while country X manufactures and sells bicycles to the United States cannot seriously be disputed. Both countries will benefit by such intercourse. Unfortunately, however, free trade too often has been interpreted by many nations with whom we do business as a one-way street. Our markets have been relatively free while theirs have been restricted.

The report of the Committee on Education and Labor points up a very alarming trend that has developed in recent years. Our exports have been increasing but simultaneously imports have been increasing at a much higher rate. Today, if foreign aid shipments were deducted from our exports and imports were valued at a price including freight, shipping charges and marine insurance, it would appear that the United States has a deficit trade balance. American producers are finding it exceedingly difficult to compete with importations produced at substantially lower costs due to wage differentials. Our productivity is usually higher but our higher wage rate, often exceeding the wages paid by their foreign competitors as much as three or four times, result in a higher unit cost. In those industries where labor is a substantial part of the cost of the finished product, our producers find it almost impossible to compete. The wage differential is too great. Our foreign competitors are now in possession of modern, efficient, and productive plants and this factor coupled with lower wage rates has resulted in a serious impairment of many American producers.

My own district is a major producer of plate glass, float glass, and shoes. The importation of plate and float glass increased several million dollars in 1966 over 1965 and is now being imported in 1967 at a rate 40 percent higher than 1966.

Many of the small towns in my district depend upon shoe manufacturing as a major source of income. The shoe industry has been seriously damaged by imports which grow larger and larger each year. Imports are underselling domestically produced shoes because of the low-priced labor with which the goods are produced. The American worker engaged in leather footwear manufacturing receives a wage of about $2.33 an hour including his fringe benefits. This is in contrast to the Japanese worker who makes about 65 cents an hour and the Italian wage earner who receives 85 cents an hour. Both wage rates would be illegal in the United States under our minimum wage laws.

Imports have soared dramatically during the past decade. In 1955 only 8 million pairs of shoes were imported. Last year there were 132 million pairs of shoes imported into the United States, a 1,500-percent increase in 11 years and the end of the increase does not appear to be in sight. For the first 5 months of this year, imports were running at a rate of about one-fourth of domestic production.

Mr. Chairman, I must confess that I have serious reservations concerning the effectiveness of H.R. 478 but the least we can do is to make public the unfair competition due to outrageously low wages paid by certain foreign competitors. The publicity alone should operate to cause the executive to take the appropriate and necessary action.

Most of the Members of this body voted for our mimimum wage standards which have been increased twice in recent years, but how many workers will there be to receive these wages if we continue to sacrifice many of our older industries because of the high proportion of labor cost involved in the finished product. The shoe industry is certain to disappear as a major American industry if the present trend continues.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, one of the most important, but perhaps most unheralded pieces of legislation that will come before us in this session is the bill currently under discussion, H.R. 478, establishing procedures to relieve domestic industries and workers injured by increased imports from low-wage areas. This bill will, if passed by both Houses, have as important an effect on our future trade relations as any trade act or trade agreement presently in existence. In fact, I view this bill as a radical but necessary departure from our trade philosophy so fervently espoused by our current administration.

Up to now we have taken giant steps in reducing tariffs and other trade barriers that might inhibit other nations from exporting to us. In the light of what we did in cutting our tariffs under the latest Kennedy round of negotiations at Geneva, it is evident that we have been somewhat naive in our expectations that other nations will give us reciprocal concessions comparable to our relaxation of trade barriers.

For the last 33 years we have followed an unswerving policy of repeatedly cutting our tariffs to such an extent that by now we are not far from being on a free trade basis. By the Trade Agreement Act of 1934, by its subsequent renewals with additional cuts, and by the Trade Extension Act of 1962, and now in the Kennedy round, we have literally cut the fat out of our tariffs. In fact, the barest minimum of customs duties that exist on practically all strategic imports do not deter our trading partners and our competitors from pushing their goods on our market shelves.

For a decade after the last war, we were the reservoir for merchandise for the free world; our industries supplied the backed-up needs of our friends; our foreign aid programs rehabilitated their ravaged lands and encouraged the rebuilding of their industries. As these nations began to prosper, our slogan became "Trade, Not Aid." However, as foreign nations achieved viable economies, we began to feel a growing hindrance against our hoped-for freer interchange of goods. Most of our friends have raised visible and invisible barriers against our competitive products. From country to country these newer barriers vary from import taxes, to turnover taxes, to use taxes, to exchange levies, to horsepower duties, to crop years, to mixing regulations, to workers' fringe benefits, to percentages of home markets, to—you name it—and some country has that type of duty, tax, or barrier. From a seemingly insatiable demand for our goods, we have arrived at a position where we have to fight to get a fair share of world markets, often at the expense of giving excessive concessions.

What has happened here at home in the meantime? We here in Congress have consistently felt that the American laboring man is the backbone of our economic life, hence, beginning with the Fair Labor Standards Act of 1938 and its subsequent amendments, we have instituted safeguards which will insure a prosperous way of life for him and his family. We have instituted minimum standards as to his weekly hours of labor, his compensation, his overtime wages, his fringe benefits and his labor contracts. We instituted penalties under that act by which we controlled the commerce between our States and the conditions of fair competition. Nowhere in these United States do we allow sweatshop procedures, low wages or unfair hours to give a competitor an unfair advantage over another.

We went even further. We protected certain basic agricultural products with subsidy programs and refused to allow like foreign products to compete on an injurious basis by setting up quotas on their imports. We also have an antidumping law, a Buy-American Act, and a specific "adjustment assistance" program to help industries and workers hurt by excessive imports if injury is caused by a tariff concession.

One would think that these safeguards would be sufficient. Regrettably, they have proved not to be sufficient.

I noted the trade barriers raised by other countries. I noted our successive cuts in tariffs. I noted our so-called safeguards for some industries and products. What I did not note was the fact that no matter how many injury complaints were made by industries or labor groups to the Tariff Commission, not one instance since 1962 can be mentioned where adjustment assistance has been rendered an industry as a whole or where workers have been protected against injury caused by excessive imports.

That is why I think the time is ripe for Congress to do something tangible for the American working man—particularly those whose livelihood is being threatened by excessive imports. And here is the crux of the matter. The imports that are hurting our laboring man the most are those imports which are produced in foreign countries under conditions we have eliminated here at home under our Fair Labor Standards Act. We do not tolerate them here at home and have invoked penalties on those who break the rules. Yet we allow our markets to be swamped by goods produced under conditions intolerable here at home. In many countries, wages are less than one-tenth of those we pay our working men, yet we allow such items, produced in low-wage countries, to displace competitive

items here at home. This is particularly true of those commodities whose cost depends on a high percentage of labor.

H.R. 478, introduced by our colleague, the gentleman from Pennsylvania [Mr. DENT], places the responsibility on our Secretary of Labor to safeguard the welfare of our workingman. If he finds that imported commodities threaten the jobs or job security of Americans, because of foreign low-wage costs, then he has to recommend to the President an equalizing factor. This factor may be increased duties or quotas. In the interest of our working men, I support this new safeguard enunciated in H.R. 478 and will vote for passage of this bill.

Mr. KORNEGAY. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. Yes, I yield to the gentleman from North Carolina.

Mr. KORNEGAY. Mr. Chairman, I rise in support of the bill. I commend the gentleman from Pennsylvania and the gentleman from Iowa, and all those on the committee who have worked so long and hard on this bill, and say I feel this is probably one of the most important pieces of legislation to come before the House, at this session of the Congress.

Mr. Chairman, I thank the gentleman for yielding and urge all of my colleagues to support and vote for this highly important measure.

Mr. BELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I rise to support this legislation.

Mr. Chairman, for years American industry and labor have made a gallant try at holding onto domestic consumers and remaining competitive in world markets. Both supported American policy of assisting in the rebuilding of plants in Europe and Japan. Both acceded to the experimentations of trade policies that were envisioned as a mutually advantageous avenue of exchange between the United States and foreign countries.

Now our industries are running into trouble. Not only are the Nation's producers rapidly losing markets abroad, but serious inroads are being made by alien shippers on our domestic markets. While insisting that our doors be opened wide to the production of manufacturers and processors the world over, the State Department has failed to demand equitable treatment for American exporters, who find opportunities for overseas sales closed by such devices as border taxes, surcharges, import licenses, and so-called equalization taxes.

In the last Congress, I presented a documented study on the restrictions imposed by other countries on equipment and supplies to be used for public works projects. Many industries, such as steel, glass, leather goods, machine tools, and coal, are faced with the same roadblocks regardless of whether the material is for public or private use.

In consequence of this condition, plus the fact that employees elsewhere receive only a small fraction of wages and benefits enjoyed here, imports into this country have risen by 1,000 percent while our exports have suffered a 65-percent decline. Whether or not the State Department can recognize this reversal as a danger to basic American industries is questionable, so Congress must resolve to take the firm stand from which it never should have receded when the program to open our markets to the rest of the world without reasonable compensatory considerations was conceived and put into practice.

Otherwise a substantial part of the Nation's economic structure stands in danger of a violent setback as a consequence of the State Department's unrealistic trade program.

Preemption of our markets by foreign producers poses the most serious economic threat yet advanced by the trade program. Unless Congress acts to provide protection against increasing shipments from abroad, any serious drop in the current high rate of demand will continue to cause job losses throughout our communities. The impact will be felt in other areas whose industries are allied with those I mention.

Perhaps it would be wise for Congress to establish an "American" desk in the State Department to look out for the best interests of this country.

I support H.R. 478 in its entirety.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. WATSON].

Mr. WATSON. Mr. Chairman, I thank the gentleman from California for yielding.

I rise in support of this legislation, but, as we pointed out when we were discussing the rule on this bill, I think we would be less than fair if we tried to project the impression here that this is an adequate solution to the problem of imports. I see the able chairman of the subcommittee, and I daresay without fear of contradiction that the gentleman from Pennsylvania is more knowledgeable in this particular field than any Member on this floor. I would go so far as to say he is probably more knowledgeable than anyone in the administration, and perhaps if they had a degree of his knowledge on this problem, we would not be wrestling with it at this time on the floor of the House. Something would have already been done to protect our domestic industries.

I noticed a moment ago the gentleman was nodding his head in agreement that passage of this bill would not be the answer to the foreign import problem.

I am an eternal optimist. I believe firmly after the passage of this bill there will be immediate hearings conducted by the Secretary of Labor. Of course, we all know that under the present Fair Labor Standards Act, I believe section 4(e), there are the same provisions for hearings to be held by the Secretary of Labor. As best we can ascertain, there have never been such hearings, or perhaps only one, but there was never further action with reference to that particular matter. I am sure we will have hearings.

The thing which really disturbs me is what will happen after that. I am sure the Secretary of Labor will be able to find conclusively that foreign imports are having an adverse effect and serious economic impact upon local communities and many industries, particularly textiles, but I wonder what will happen next. The legislation provides that the President "may" take action following the recommendation of the Secretary of Labor. I wish the presidential action were mandatory.

I hope that the President will get the message here today as we will pass this bill overwhelmingly, without even a dissenting vote. Perhaps I am too much of an optimist in saying that. I hope the President and the administration and the State Department will get the message that we as representatives of the people are concerned about domestic industries.

We have spent thousands and thousands of American lives trying to help other countries. We have spent $130 billion plus trying to help other countries, since the advent of the Marshall plan. Is it not about time to do a little something to help local domestic industries?

We down home feel the impact primarily in textiles, but I can assure the Members that just as strongly as I support textiles and will try to protect them against cheap foreign imports, I shall fight for my friend from Iowa and for the other Members, in the protection of agricultural products, lumber, and the other industries adversely affected. Frankly, I believe that all our industries are being hurt by cheap imports.

It is a serious problem down home. We have had 20 percent of our textile employees lose their jobs. It is pretty tough to have a textile worker come to you to say, "Why not do something about it? Here I have lost my job because of foreign imports primarily from Japan. I cannot understand it. Just a few years ago I was over there fighting the Japanese, and now I have lost my job because of cheap Japanese imports."

It is hard to give an intelligent or at least an acceptable answer.

I commend the chairman and the members of the subcommittee for moving in the right direction. It is not a solution, frankly, but it is a step toward a solution or at least public airing of the problem. That is why I am happy to see the chairman of the subcommittee and other members, including myself—I believe the gentleman from South Carolina [Mr. DORN] said 167—have already introduced bills with reference to quantitative controls on textiles.

I hope we will broaden that to include other industries particularly affected by foreign imports. We have to put some teeth in this proposition. It is too permissive.

Others say, "I hope you have got meat in this particular bill." I am sure that meat and every other commodity is covered but unfortunately it has little backbone. At the same time, I fear that unless the President will take positive action—and hope springs eternal in that respect—we will have to be back on this floor wrestling with this matter seeking a solution.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. WATSON. I am happy to yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman is absolutely right. This is not a panacea for all of our problems, but it is a giant step forward, because it will give us an opportunity to air our problems before another agency other than the Tariff Commission.

We can all agree that the Tariff Com-

mission has been totally and completely oblivious to the problems of American industry and agriculture in the field of foreign imports.

As the second ranking member of the subcommittee which has written this legislation and as a cosponsor of this bill, I have heard witness after witness testify how foreign imports are hurting our economy.

In Chicago alone, we have seen our electronic industry, steel, leather goods, the meat industry, and many others seriously affected by foreign competition made possible by cheap labor in other countries. These fine Chicago companies have been seriously hurt by foreign competition. This legislation will make it possible for these companies to bring out into the open the extent of their damage.

It is my hope that Congress will approve my bill to provide judicial review for decisions of the Tariff Commission. But until that is done, this bill will go a long way toward helping American industry.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BELL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WATSON. I thank the gentleman. I yield once again to the gentleman from Illinois.

Mr. PUCINSKI. There is no question. We have a crisis. If Members will look at the record of testimony before our subcommittee they will see there is a crisis in this country because of foreign imports right across the board in practically every single industry.

The other day in the Chicago Tribune there was a long article about how American industry is today complaining as to what is happening because of foreign imports. What this legislation will do is give us an opportunity through the Office of the Secretary of Labor to bring out into the open the facts that the Tariff Commission refuses to face up to.

Once we get those facts out before an official body, of course, then the pressures will have to come from the President and all other interested parties finally to do something about it. However, I say to the gentleman that the ultimate answer is a revision of the Trade Expansion Act of 1962 to give aggrieved parties judicial review over the arbitrary decisions of the Tariff Commission.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, before saying anything further today, I want to pay my respects to the gentleman from Pennsylvania [Mr. DENT]. To me his convictions as to proper trade policies are about the closest to wisdom that I have found in this House. He, like many of us, I think, appreciates fully that exchange of surplus goods between nations is common gain, but he, like many of us, recognizes that you do not build up our neighbors abroad by breaking down our own industries here in America.

Mr. Chairman, I rise to support H.R. 478 which would establish a procedure whereby the Secretary of Labor would investigate to determine if a particular product or related group of products are being imported into the United States under such circumstances as to undermine domestic industries by impairing the general well-being of any group of workers in the United States or the economic welfare of the community.

My deepest concern in this matter, Mr. Chairman, is over increasing imports of fish products. The State Legislatures of Washington, Oregon, California, and Rhode Island have memorialized the Congress to do something about the deplorable situation of the steady increase in the importation of bottom fish, which has caused a marked depression in the ground fishing industry of the United States.

The President has the power under section 351 of the Trade Expansion Act to raise tariffs, but unfortunately the voice of the fishermen is not listened to in the White House; and, likewise, I call attention to the fact that since the passage of the Trade Expansion Act and the lowering of tariffs, as the report on H.R. 478 shows, 18 pleas for relief have been made to the Tariff Commission, but all have been denied. So, the existing procedure to protect the American high standard of living does not work.

Mr. Chairman, about 15 years ago the bottom fishermen were supplying 62.9 percent of the U.S. bottom fish, such as halibut, consumed in this country; last year that percentage dropped to only 19.2 percent, while consumption rose.

This is what lowering and eliminating tariffs has done to our fishermen.

If this bill does no more, Mr. Chairman, it would provide the mechanism by which citizens who believe they have been injured by imports can have their grievances analyzed, and, if valid, acted upon.

In that event, the President would be empowered to take such action as he deems appropriate to remove such impairment or threat of impairment, but more than that, since the President already has that power, it would give the public the facts. Thereby the President would be encouraged to take some action in the interest of American workers. Furthermore, in the past industry has been able to seek relief. This bill would give labor the same right.

Mr. BELL. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Alabama [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I rise in support of this legislation. Having introduced companion legislation and having testified before the committee on behalf of this pending bill, and upon several occasions having joined in efforts on the floor of the House directed toward the ultimate passage of legislation similar to this, I wish to congratulate the distinguished chairman of the subcommittee, the gentleman from Pennsylvania [Mr. DENT], as well as the members of the subcommittee and the full committee for bringing this bill to the floor and urge passage.

Mr. Chairman, in recent years the rapid increase in foreign imports which have flooded the American market with products at prices which cannot be met by our domestic industries has reached the point where it threatens important segments of our national economy and the welfare of American workers in such industries.

We in the United States take just pride in our economic growth, in the productive capacity of our industries, and in the high living standards of our American workers. The Fair Labor Standards Act was passed to establish minimum wages and maximum hours in domestic industry. But no safeguards were included to protect our domestic industry and American workers from foreign products imported at low cost because of a foreign cost advantage of vastly lower wages and longer working periods without the necessity for payments of overtime compensation.

H.R. 478 provides a specific procedure for investigation to identify sectors of employment and communities whose welfare and standards of living are being impaired or threatened with impairment by excessive imports of goods produced abroad under substandard labor conditions. It empowers the President to remove by import regulation the detriment found by the Secretary of Labor to be a cause or threat to the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of the affected workers.

Foreign imports are today a real and serious threat to the continued economic stability of a number of our major industries—and to the employment security of those employed by these industries.

The steel industry, with allied industries producing steel products, and the textile industry are two of the many major American industries contributing to our national economy which are feeling the effects of a flood of imported items in the domestic market which can be sold at a lower price than American-made products because of lower manufacturing costs abroad.

The city of Birmingham, Ala., which I have the privilege to represent in the Congress, is one of the large steel-producing centers of the Nation.

Also, my State of Alabama is one in which textile employment constitutes about 29 percent of the total manufacturing employment.

The record of imports and their effect in these two industries is worthy of review, in this consideration of the effect of imports on American employment.

Foreign steel production began its upward surge following the end of World War II. During the 4 years of war, American steelmaking facilities had been operating on an around-the-clock basis. Following the war, the American steel industry cooperated fully with the U.S. Government in the task of rebuilding overseas. Millions of tons of steel products were shipped overseas, including structural steel and machinery and other equipment necessary to build modern steelmaking plants.

Thus, while the American steel industry was still in the process of recovering from the drain upon its resources resulting from World War II and the reconstruction abroad, there were fully modern steelmaking plants being constructed overseas, in great part financed by the United States and built with the output of American mills.

In a special report on steel in Business Week of June 1966, it was pointed out that since 1947 the United States had shifted from a net exporter, with an annual export surplus in steel mill products of 6 million tons, to a net importer.

While the United States had net steel exports of about 4 million tons in 1957, by 1965 this had been replaced by net steel imports of 8 million tons. On balance, the total loss to foreign steel amounted to 12 million tons.

Today, U.S. output is 26 percent of world output compared to 57 percent in 1947.

At the same time, I should add, the 1965 record production of 131 million tons was nearly equal to total world production in 1947.

The following figures have been quoted to illustrate the dramatic rise in steel importation: In 1955, imports of foreign-made steel into the U.S. market were 1.2 percent; in 1958, 2.9 percent; 1959, 6.1 percent; 1963, 6.9 percent; in 1964, 7.3 percent; and in 1965, it reached 10.3 percent of the market.

Figures obtained from the U.S. Department of Commerce by the American Iron & Steel Institute afford a further example, that of pig iron importations.

Pig iron imported in 1965, 882,000 tons plus; in 1966, 1,183,656 tons. Exported in 1965 were 28,225 tons; exported in 1966 only 12,122 tons.

Thus, the value imported in 1965 was $38,437,579; in 1966, $45,903,000, as compared to export figures of only $1,665,418 in 1965 and $731,000 in 1966.

This shows a total dollar drain in the United States of $81,944,161 in the 2 years 1965 and 1966 on pig iron alone, which represents a small segment of our economy. It also shows a 22.8-percent increase in this dollar drain in 1966 over 1965 for pig iron. For both iron and steel products, the difference in the value of imports over exports in 1966 as reported, was $758,154,000 versus $591,760,611 in 1965, or an increase in the dollar drain of $1,166,393,389.

This cost to the United States represents a further deterioration in the merchant iron industry in this country with its consequent effect on the job security of its employees.

Also, as a matter worth noting, 33 percent of the total pig iron imported in 1966 came from behind the Iron Curtain.

In the textile industry, the increase in imports has had an adverse effect. It is reported that textile imports in 1966 reached the level of 2.8 billion equivalent square yards. This level of imports amounts to some 10 percent of the total U.S. textile market and is displacing the equivalent of some 198,681 potential American textile jobs with an annual payroll of $949,099,137.

In Jefferson County, Ala., there are some 1,500 people employed by the textile and apparel industries. These two industries account for 82,200 employees throughout Alabama.

In recent testimony before the Special Labor Subcommittee, textile industry spokesmen said that 2.8 billion square yards of textile imports in 1966 displaced the equivalent of 200,000 jobs in the textile and apparel industries. Alabama accounts for some 3.5 percent of the national employment in these two industries, which means that the 1966 level of imports is displacing the equivalent of 7,000 textile and apparel jobs in Alabama. This means, in effect, that more than $30 million is being taken out of the economy of Alabama by textile imports. According to normal spending patterns such workers would spend, in Alabama $7.7 million for food, $9.2 million for housing, $2.9 million for clothing, $3.8 million for transportation, $1.7 million for medical care and drugs, $1.6 million for recreation, more than $1 million for personal care and miscellaneous expenses, and $2.5 million in local, State, and Federal taxes.

In reviewing the employment impact which imports could have on the steel industry, it has been estimated that had the 10½ million tons of finished steel mill products shipped into the United States from abroad—about one-ninth of the total domestic market—been made in the United States, it could have meant over 70,000 additional jobs in the steel industry. And if the employment impact in steel supporting industries such as mining, manufacturers supplying the steel industry, transportation, and so forth, were considered, the job total could amount to over 130,000.

The American steel and textile workers, along with all Americans, have with the taxes they have paid to their Government helped to subsidize their foreign competition through our foreign aid program. That competition is now thriving, is using in many instances—by our standards—substandard, low-cost labor, and is competing with our workers who ought to continue to receive wages that are commensurate with what people working in the most prosperous great nation in the world has yet known should receive. This consequently constitutes both strong and unfair foreign competition.

Certainly, at the very least the American worker is entitled to some protection from the consequences of our Government's use of his own tax dollars.

American exports face protectionist levies in the foreign market. As an example, in spite of the imbalance in steel exports and imports, a net ton of standard two-inch butt-welded steel pipe shipped from the United States to France, in addition to French duties, accumulates stamp taxes and transactions taxes, all of which amount to $101.97, while a similar shipment from France to the United States is assessed only $6—the U.S. duty. That is $6 against $101.97.

As another example of how foreign countries have protected their home markets by erecting nontariff barriers that do not exist in the United States—and again taking steel as an example—a ton of common specification, commercial quality, cold rolled, autobody sheets when imported into the United States from Germany pays a duty of $10.59.

But an identical shipment of these sheets, going from the United States to Germany would be subject to levies and taxes amounting to $33.73—going in the other direction from the United States to Germany.

At the same time, low wage rates further hamper the efforts of American industry to compete with foreign imports on the domestic market.

Using the textile industry as an example, the average hourly earnings compare in the textile industries of the world, according to the U.S. Department of Commerce, as follows:

Country:	*Hourly rate*
United States	$2.02
West Germany	.96
Belgium	.80
France	.63
Italy	.55
Spain	.44
Portugal	.19
Netherlands	.75
Colombia	.21
Mexico (weavers)	.55
Japan	.39
Hong Kong (weavers)	.29
Singapore (weavers)	.17
Taiwan (weavers)	.14

Last December, the Department of Commerce reported that imports had reached 3.6 percent of our country's gross national product, as compared to about 3 percent a year ago, and were likely to total $25.5 billion by year's end, up nearly one-fifth from 1965.

If the rise in imports continues, American industry will lose its opportunity for expansion because of foreign competition, not only in the world markets, but on the domestic market as well. This can only result in a continued decline in employment in American industries, and the loss of jobs of American workers, working in American factories, unless protection is provided.

H.R. 478 is a legislative step forward toward import regulation for the protection of American workers whose economic welfare may be threatened by the flood of foreign products, and I urge its passage today.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. WHALEN].

Mr. WHALEN. Mr. Chairman, at the very outset, I would like to commend the distinguished gentleman from Pennsylvania [Mr. DENT] for this study. I have read with a great deal of interest the 122 pages contained in the committee report. Certainly, this report evidences a considerable effort upon the part of the gentleman from Pennsylvania as well by the members of the subcommittee chaired by the distinguished gentleman.

Mr. Chairman, it is therefore with a great deal of regret that I rise in opposition to H.R. 478.

Mr. Chairman, as the gentleman from Pennsylvania has pointed out, this bill is not, per se, a tariff bill. In other words, the passage of this measure would not automatically impose a tariff. However, I believe the objective of H.R. 478 is very clearly stated on page 2 of the committee report which points out that it is the purpose of the bill to regulate the importation of goods into this country.

Now, certainly, I believe this is a regression from the philosophy expressed by this body in 1962. It is my further belief, as the distinguished gentleman from Illinois [Mr. PUCINSKI] has pointed out, while this bill is directed toward those industries which may be unfavorably affected by imports, we must recognize that there is another side of the coin.

Mr. Chairman, I am concerned here

today about those industries in our country that are engaged in the exportation of goods.

Mr. Chairman, we must recognize the fact that through the first quarter of this year, 1967, exportation of merchandise—nonmilitary items—amounted to an annual rate of $30.7 billion; whereas, imports were $27.7 billion.

Therefore, it is evident during the first quarter of this year that we have an export balance.

The Members of this body recall what happened in 1962 when our Government increased the tariff on carpets and glass, and when the Common Market responded with an increase on tariffs on plastics and chemicals.

Thus, Mr. Chairman, it is evident that if the provisions of the bill are carried out and if tariffs are imposed and imports are regulated, certainly other countries which will be affected will respond in kind. In other words, Mr. Chairman, a tariff or import regulation begets a tariff or import regulation.

Such action would, of course, reflect unfavorably upon those American industries which are presently exporting. Obviously, the workers employed by these industries and those who have invested in these industries are going to be most adversely affected.

So, Mr. Chairman, there are two sides involved in the consideration of this question. I only hope that in casting our vote we will keep in mind the potential damage to our export industries which would result from passage of H.R. 478.

Mr. Chairman, it is for this reason that I oppose the bill.

Mr. PUCINSKI. I wonder if the gentleman and I can reach some agreement on the statement he made with reference to import-exports. There is no question we have in terms of dollar volume a favorable balance of trade, but when you reduce this to man-hours displaced—because we export raw materials, we export a great deal, for instance, of junk steel and various other things, huge machinery, big machinery, but we import finished products such as radios and various other products—and Mr. Gross of the Admiral Radio Corp. recently made a study to see how many man-hours foreign electronic imports have displaced in America and how many jobs they have eliminated, and the figure was staggering. I do not remember the figure exactly right now, but I can get it.

It seems to me the time has come, therefore, for us to look at this balance of trade in the terms of man-hours instead of dollar volume, because I believe dollar volume is misleading.

Would the gentleman care to comment on that?

Mr. WHALEN. Let me comment on that. I believe this gets into the broad area of international trade, and we have to recognize that in the United States we are a capital-intensive country, and in those areas certainly we enjoy an advantage in trade.

On the other hand, where we are labor-intensive, admittedly due to our high wage rates, we here in the United States do have a disadvantage, but I believe we have to recognize that you cannot have both.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. Yes, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to commend the gentleman for his statement. I believe this is unwise and unsound legislation, and the results of it, if it is enacted into law, will be a step backward in protectionism and will rise to haunt us.

Again, Mr. Chairman, I would like to commend the gentleman for what he said, and to join with him in his remarks.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include tables.

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

There was no objection.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. Yes, I yield to the gentleman from South Carolina.

Mr. WATSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wish to say that I believe the gentleman who was just in the well is concerned about the adverse effect that this change might have on the export business of the United States. I would say that in the areas where labor might be adversely affected by a reduction in American exports the affected parties will have the opportunity to come before the Secretary of Labor and present their side.

So, Mr. Chairman, I fail to see the real valid argument in his opposition to the bill.

Mr. ROBISON. Mr. Chairman, I appreciate the comments of the gentleman from South Carolina [Mr. WATSON].

Mr. Chairman, I rise in support of this legislation—H.R. 478—even though I am not sure what relief, or even what kind of relief, it might bring to domestic industries and workers severely injured by increased imports from low-wage areas.

I support this bill, too, even as one who voted for the Trade Expansion Act of 1962, and one who believes in the ultimate benefits of free trade.

But there is another side to that coin, too, and let me give you some specifics about one instance illustrating that other side.

In my area of New York, as you know, domestic industry has achieved one of the highest wage levels in this country. One of those industries—important to me—is the Elmira, N.Y., division of Bendix Corp., one of the largest employers in Elmira.

One of the principal products of this division has been bicycle brakes—not a very important sounding item in terms of our overall economy, to be sure, but a tremendously important item to those workers—American workers—whose jobs depend on a market for that product.

Some years back, as most of you know who have bought bikes for your children in recent times, the major imports of bicycles and bicycle parts came from such countries as Great Britain, West Germany, and so on. This was keen competition, too keen for many U.S. manufacturers in this line of endeavor, and many of these gradually dropped out. Today, Bendix is the only surviving manufacturer of bicycle brakes in the United States.

How have they survived?

By ingenuity, by applying good old American "know-how"—and by determination. The story of this company's fight to stay in this business is well worth reading—a successful fight up to now in which both labor and management joined hands—and you will find that story described in last year's hearings on this problem.

By automation, by cutting cost corners, by lowering prices, and by upping volume, Bendix was winning that fight, tough as it was, with such as the Common Market countries.

But, of late, something new has been taking place. Now bicycle brakes are beginning to come in in ever-increasing numbers from such low-wage countries—I almost said "slave-wage" countries—as Czechoslovakia, Yugoslavia, Poland, Hungary, and even East Germany.

When we go back in session as the House, I will ask unanimous consent to include, as a part of these remarks, a table dramatically showing what has been happening in this connection during the past 4 years.

The table follows:

BICYCLE BRAKE IMPORTS

Country of origin	1964	1965	1966	[1] 1967	1967 versus 1964
United Kingdom	65,348				
West Germany	1,001,426	754,310	742,150	1,327,892	
Percent change		−24.6	−1.6	+78.9	
Japan	199,975	152,550	130,900	300,050	
Percent change		−23.7	−14.1	+129	
Czechoslovakia	269,600	569,200	518,000	600,500	
Percent change		+111	−8.9	+15.9	
Yugoslavia		15,500	50,000	130,690	
Percent change			+222	+161	
Poland	6,800	8,058	14,500	22,460	
Percent change		+18.5	+80.5	+54.9	
East Germany	89,940	45,000	140,490	44,180	
Percent change		−49.9	+212	−68.5	
Hungary		90,000	101,100	92,000	
Percent change			+10.8	−9.0	
U.S.S.R.			2,100		
Netherlands		15,639			
Total	1,633,089	1,650,257	1,699,240	[2] 2,517,772	
Percent change		+1.1	+2.9	+48.1	+54

[1] 6-month figures extended to full year.

Japan, too, is a major source of such imports which will exceed 2½ million brakes in 1967, and it is interesting to note that even Great Britain has now dropped out of the running.

But Bendix is still trying—redesigning its brake, retooling and wringing every penny of cost it can out of its product—so that, in the face of constantly rising costs of production it has managed to lower its price 27 percent in the last 13 years, and stay in business.

But, what of the future?

With the Kennedy round concessions knocking 4 cents per brake off the present import duty and with Bendix' costs, mostly for labor, going up an estimated 8 cents per brake in 1968, how can it stay in business against competition coming from countries with wage rates somewhere around one-sixth of those paid here?

The unhappy answer is: It probably cannot. And some 300 jobs—American jobs—jobs important to the Elmira community hang in the balance.

We can stand for free trade or reciprocal trade, but the competition thereby engendered ought to be fair competition.

When it is not—if you will pardon the pun—it is time to begin to put the brakes on, and that is why I hope this bill will pass.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I am somewhat in doubt as to how far this bill goes in creating new restrictions upon imports.

I see on page 4, lines 16 through 18, the bill reads as follows:

> The President may take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law.

I would like to ask: Does this give the President any additional authority to deal with imports, to impose restrictions?

Mr. DENT. It gives this much additional authority over what authority there is presently in the tariff or trade law, in that we say he is not held to the levels that are now in the law. In other words, once we pass a trade bill and it sets the levels of the tariff, which we agree to and conform to, he can only stay within those particular figures other than those given to him by the Tariff Commission. So we give him the right, if he decides—let us say the tariff is 40 percent—we give him the right to go to 60 percent or we give him the right to go to a complete embargo—or to 100 percent.

In other words, we give him the right to go above the stated law as it is now in the tariffs.

Mr. FINDLEY. So he can do that on his own initiative without going through the Tariff Commission?

Mr. DENT. That is exactly right.

Mr. FINDLEY. Then this does not constitute actually an amendment of the basic tariff law?

Mr. DENT. It would not in any manner, shape, or form, because all he is doing is the same as a doctor does in administering to a patient when the patient is turned over to him. He is writing the prescription as to what he thinks the patient needs at the moment. If they increase the quota or decrease the quota, whatever is needed, either in his opinion or based on the advice of his counselors—he will do what is needed at the moment.

If we hold him to the restrictions as they are passed or set by the Tariff Commission which is the law at the time, then there is no need to have any legislation, because he has no remedy that is not already given by the Tariff Commission.

Mr. FINDLEY. That is what I am getting at. I am trying to find out what additional remedy, if any, is provided by this legislation.

Mr. DENT. That is all there is.

Mr. FINDLEY. Does this remedy that you have just described apply only for quotas that are authorized?

Some commodities are not encumbered by quotas at all. They are on a tariff basis.

Mr. DENT. That is right.

Mr. FINDLEY. As to that merchandise that has free access to this country, provided the tariff is paid, I assume that this legislation would not and could not possibly apply; is that correct?

Mr. DENT. Yes, it could. He could establish a quota for that import if it is needed to help that particular industry.

Mr. FINDLEY. He could establish a quota on an item even though under the authority of the trade expansion act and the GATT agreements we have lowered the tariff on that item, or have even eliminated the tariff? Am I correct in that statement?

Mr. DENT. He can do it and still be consistent with that because the GATT agreement is not an international trade agreement and it is not an international treaty. It is an agreement under the Executive and the Executive exercises his authority.

No agreement under them is longer than a 3-year period, and if at any time during the 3-year period any country which is signatory to the GATT agreement is threatened to the point where its existence is endangered in the opinion of the country, that nation can set aside any quota or any tariff that has been agreed to by GATT signatories. That is what we are saying in this legislation.

Mr. FINDLEY. This bill would give the President the authority to supersede any agreement now included or tentatively accepted as a result of the GATT agreements?

Mr. DENT. If it is an emergency such as we have described in the act.

Mr. FINDLEY. I still question whether this bill conveys any additional authority over imports. Would it also convey to him the authority to cancel the drawback privilege that importers have on raw materials, and under that privilege if they re-export the material after it has been processed, they can recover 99 percent of the import duty they have paid?

Mr. DENT. Any remedy that he sees fit that is consistent with the tariff laws of this country, not exclusively maintaining the rates, because even a drawback has a rate of tariff.

Mr. FINDLEY. It has a rate.

Mr. DENT. That is correct. That is the problem today which is complained about in a resolution passed by the AFL-CIO this last Sunday. It was put in the RECORD the day before yesterday.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BELL. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire [Mr. WYMAN].

Mr. WYMAN. Mr. Chairman, I rise in support of this legislation. I would like also to join with the many Members who have today extended compliments to the distinguished chairman of the subcommittee and the other members of the committee who are responsible for this legislation.

But I think we would be less than candid if we did not also point out that we should not expect too much from this legislation because, as it is read, we see that once again the Secretary of Labor, upon complaint, is to make an investigation and report within 4 months and then proceed only to make available his findings to the President.

The good thing about this, it seems to me, is that when he makes his findings, the President, although he is left to take such action in the terms of the bill's own language only as he deems appropriate, the Secretary shall make public his findings.

This is about the only mandatory provision in this bill, and it is to be hoped, fervently hoped, that if the conditions which are incorporated in the Secretary's findings and are made public are paramount, that we may then, at long last, have that degree of compulsion upon the Chief Executive to take action for the relief of the domestic industries that the State Department has so long opposed.

I think that it is also worthy of note at this time to mention the great dilemma that has resulted—and I have reference now to the remarks of the gentleman from Ohio [Mr. WHALEN]—from our having participated in the Marshall plan over the earlier years in the reconstruction of Europe, building up the foreign economic capacity of those countries, in country after country, to a point at which it was perfectly obvious to the architects of the plan at that time that those countries, with a cost of labor that was much less than ours, would, unless we had some protection for the industries in our country, flood our markets with goods that were almost as good, or in some instances even better, at prices that were much lower than ours. Of course, this is exactly what happened when we look back upon the reciprocal trade program. We have had less and less protective barriers.

The cost of labor and the cost of living in the United States and the standard of living in the United States is higher than that in almost every other country in the world. While this is something to be grateful for it nevertheless is a tremendous handicap for the workers of this country to face competitively unless the Congress is willing to give them some protection.

I want to make it crystal clear that, along the lines of what the gentleman

from Ohio [Mr. WHALEN] said, while I want healthy trade too, and I want favorable trade balances I also want to see—and I know in this the people who have spoken here today and the Members of this body will join—a fair share of the American market assured to the American worker. It is in this sense I support this legislation. I only regret, Mr. Chairman, that it does not go further. I would support much stronger legislation than this, should the opportunity present itself, because I think the American worker is entitled to this protection.

Mr. Chairman, every Member of this body, I am sure, is well aware of the problems being faced by certain segments of our business community who are saddled with the challenge of competing with cheaply made foreign imports for their fair share of the domestic market. On numerous occasions in the past, with many other Members I have addressed this House on this same problem and have made well known our concern for some corrective action to be taken in this field.

Of particular interest and concern to me, to the people of New Hampshire and to the people of the district I am privileged to represent, are the shoe manufacturing industry and the textile manufacturing industry. These two industries are having very real and serious troubles in meeting this competition to the point that many are facing the prospect of having to close their doors permanently. Similar difficulties, although perhaps not as serious, are being faced by our producers of dairy products.

I support the bill which we are now considering, but I do so with some reservations because I do not believe that this is the best solution to the problem at hand. A more realistic approach, I believe, would be to place limitations on the quantity of imports. At least by our action here today we will, hopefully, be taking a step in the right direction which may eventually lead to a workable answer.

At a time when we are trying to fight poverty and are spending large amounts of money to do it, it is wrong to be creating poverty in vast areas of our country by the destruction of productive jobs in textile plants, in shoemaking plants, and in other types of business hurt by this import problem.

There are those who think we should be taking care, gratis, of every underdeveloped country in the world. They would have us increase our imports, displace our own workers, increase our poverty, make our deficit in trade worse—all this so that allegedly underdeveloped countries can do better with these businesses and export to us.

Even these citizens of international inclination are being misled. The fact of the matter is that a great portion of our imports is coming from already industrialized countries.

Mr. Chairman, on previous occasions I have spoken at some length on the problem of textile imports, and I do not want to repeat myself at this time. However, I would like to stress the situation which exists for the shoe industry.

Within a few years shoe imports have grown from practically nothing to more than 20 percent of our domestic production. Imports of the basic shoes made in my State of New Hampshire have increased from 19 percent for the year 1966 to 24 percent in the past few months. Last year, shoe imports amounted to approximately 17 percent of the output of this country. And the increase continues—in the first quarter of 1967 shoe imports were 22 percent higher than a year ago.

Manufacturers in the United States are compelled by this Government to maintain a minimum scale of wages. There is no such obligation on manufacturers abroad. Labor costs in the United States are anywhere from three to 10 times higher than labor costs abroad. On the one hand this Government wants us to maintain a high-cost structure and on the other hand it has done little or nothing to protect us against the competition of products made abroad by low-cost labor.

I suspect that if this legislation now before us is passed and signed into law, the Secretary of Labor is going to be a busy man. Perhaps then this administration will begin to realize the extent of the problem that exists in this area of unfair competition from cheaply made imports and will take additional steps to alleviate an intolerable situation. The President has this authority right now and without this bill, yet he refuses to act. He has refused ever since he became President. This is an injustice to American workers in these industries. Some industries need help. The President should act.

Mr. Chairman, I support H.R. 478 and do so with the hope that it is but the first step down the long road to eventual solution of these pressing problems.

Mr. BELL. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in support of H.R. 478.

This legislation establishes a procedure for official investigations by the Secretary of Labor to determine if the importation of foreign-made products is impairing or threatening the welfare of American industry, the workers of such industry, or the economic welfare of the community where such industry or workers are employed. The Secretary would undertake his investigation upon the request of the President, upon resolution of either House of Congress, or upon application of the representative of any employee organization in a domestic industry, or upon application of any interested party, including any community organization such as a town, city, or county. The Secretary would determine whether the impairment or threat of impairment exists, and shall report his findings to the President, and also make his findings public.

The President, under the bill, would be empowered to "take such action as he deems appropriate to remove such impairment or threat of impairment."

This, in my opinion, is the weakness in this legislation. There is no requirement that the President take any action. The value in the legislation is that the many problems confronting various American industries arising from soaring imports will be heard and explored. Through this legislative vehicle, all groups faced with the staggering blow of massive imports will be able to spread on the record their plight. Is it not unfortunate that this could not be done administratively rather than through legislative action?

I have been critical of administration inaction in dealing with the import problem, but that is another story. Let me just say this: My district in North Carolina is in the Appalachia area. In recent days, legislation to aid much of this area was passed by the Congress. I wonder if Members know that there are about a million textile and apparel workers within a 50-mile radius of the center of the Appalachia area?

These workers make up a big percentage of the total manufacturing employment in the area.

Congress has authorized the expenditure of large sums of money to train and retrain the unemployed in Appalachia.

Here we see the Federal Government spending millions of dollars to alleviate unemployment, and yet doing nothing to slow down the tide of imported goods. That is only irritating and making worse the economic situation of the area. I think this could rightly be called a case of the right hand not knowing—or perhaps caring—what the left hand is doing.

There are those who talk of retraining. But how many workers can be retrained? What type of work can they be trained to do? How many textile workers are too old to go out and get a job somewhere else? And where are the jobs for which they can be retrained?

We need more than this legislation. I have joined others in introducing H.R. 11604 to write legislative authority to stem the tide of imports. This legislation is commendable, but the need is for more action. Let us pass this bill, and then get behind legislation pending before the Ways and Means Committee that will give the textile industry some much-needed help.

Mr. BELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I rise in support of this legislation and compliment the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. DENT].

I associate myself with the remarks of the gentleman from South Carolina [Mr. DORN] and I urge the passage of this legislation.

Mr. UDALL. Mr. Chairman, the bill we have before us today is an example of a good idea gone wrong. Certainly no one can object to the protection of American workers from the loss of jobs through the competition of cheap foreign labor. This Nation has taken the position that working people deserve a living wage, and protecting this standard of living requires some attention to the importation of goods produced under

less salutary labor policies. But the question is: Should this Nation adopt a piecemeal trade policy based on protecting workers in an infinite number of large and small industries, or should it continue to strive for broad trade objectives reflecting the interests of the Nation as a whole?

In my own district there are examples of economic groups that have felt, or thought they felt, the impact of excessive imports. In some cases their complaints are valid; in others, less so. But I know the problems that arise in a given industry as foreign imports increase in number. I also know that this Nation would have no trade policy at all if it adopted import restrictions or raised tariffs every time a given industry group complained.

What we must keep in mind, Mr. Chairman, is that the United States is a surplus nation. We have prospered, not because we have kept foreign goods out, but because we have developed greater efficiency and higher productivity, making our goods cheaper and better than those of other countries. In the years of the Kennedy and Johnson administrations we have given tax incentives to business to modernize even more, to increase productivity to the highest possible level. I am pleased that so many industries have taken advantage of this opportunity.

When I hear that high wages paid in this country render certain of our products less competitive than those of other countries, I often wonder what has become of the highly vaunted American initiative in industry. Historically, we did not achieve our greatness because we paid low wages; we achieved it through imagination and innovation. Why, then, should the issue of wages make so much difference today?

It is important, I believe, to recognize that there are more considerations involved in our trade policy than the relative wages paid workers in a particular industry here and abroad. To turn over our trade policy to the Department of Labor and a myriad of industry lobbying groups would be a serious mistake. That labor questions should be considered I do not deny. That they should be the ruling consideration I regard as utterly wrong. I might say that the Fair Labor Standards Act, as it stands today, gives the question of foreign labor impact proper attention and provides the Secretary with all the authority he needs to initiate investigations and make recommendations to the President.

Going beyond this to hand equal authority to any interested party in the United States seems to give excessive weight to the interests of every special-interest group in the country. And I say this knowing that a few of these special-interest groups operate in my own district and State.

Parochialism, Mr. Chairman, can be the death of any rational trade policy and the undoing of a great and booming economy. The United States cannot continue to be an exporting nation if its trade policy is hampered by every tiny economic segment wanting a buffer from foreign competition. And the United States cannot continue to grow and prosper without foreign markets. Trade, Mr. Chairman, is a two-way street.

Surely at this late hour in our history it should not be necessary to point out that this country has led most of the rest of the world in economic development. As Walt Rostow pointed out, back in the days when he was known principally as an economist, the United States was one of the first nations to enter that phase known as the "economic takeoff." Our economic growth advanced from arithmetic to geometric progression, and we are still seeing that process today. But insofar as the United States has advanced it has created a gap between its standard of living and that of most of the rest of the world. Therefore, it is hardly reasonable to expect that other countries must match our standard of living if they are going to trade with us. If that were truly the requirement, just who would we trade with?

Mr. Chairman, I have said that there are other factors that must be considered in determining our trade policy—other factors than the comparative wages paid in this country and a given exporting country. I would include among these factors broad national objectives in foreign policy, the encouragement of democratic societies, and the use of trade as a device for building our alliances and weakening those of competing systems. And I would add another factor—the maintenance of friendly relations with our neighbors.

Mr. Chairman, bordering my district is the State of Sonora in Mexico. Through the Port of Nogales every year flows some $70 million worth of produce—tomatoes, chili peppers, and other products of Mexican farms. This business is important to my State, and it is important to American consumers. To shut it off or curtail it because of parochial business interests in another State would hurt Arizona, raise the prices paid by America's housewives, and impair our relations with a friendly neighbor. Passage of H.R. 478 could well lead to these unhappy results.

I would like to make a point here which relates to all these attempts to restrict the importation of foreign goods. It is true that labor in Mexico is paid considerably less than labor in this country. But with tariffs and transportation charges the delivered price of Mexican produce is virtually the same as that of produce grown in Florida. And I might say that it is only in Florida that this produce finds any competition during the winter months when it is put on the market.

Why, then, should there be any objection to the importation of this produce? The answer lies, not in the cheap foreign labor, but in the additional competition provided by abundance. If the housewives of America had fewer tomatoes and chili peppers to choose from—if they had to go without these items when the domestic production declined—they would be willing to pay more for them. But we have never had a commodity control program in tomatoes and chili peppers, and I sincerely hope we never get into that sticky business. I also hope and trust we will not attempt to reduce production through the arbitrary cutting off of Mexican produce—particularly through a wholly false appeal to the impact of "cheap foreign labor" on our domestic economy.

I might mention, Mr. Chairman, that while Mexicans pick this produce in Sonora and Culiacan, American workers are provided jobs through the sale of farm equipment, fertilizer, insecticides, pesticides, seed, and other American products used in growing this produce. And other Americans are employed shipping it and handling it on its way to the tables of America. In my judgment the effect of the bill we are considering today would be to carve up U.S. trade policy into many little parts, losing sight of the relative advantages enjoyed by the jobs we gain in turn.

I have no doubt that there will be many times in the future when the welfare of this country will require some limitation on the importation of certain goods. We all know it is vital to keep certain defense-related industries strong so they will be there when we need them But this argument hardly applies to tomatoes or bicycles or ping-pong sets. When adjustments are needed—and existing law provides ample authority for them—they should be made, not in answer merely to the needs of a given segment of our economy but to the needs of our economy as a whole.

In recent years we have seen a great boom in Japanese cameras and transistor radios. Undoubtedly this competition has affected our domestic camera and radio industries somewhat. Yet no other country has a Polaroid Land camera or a Kodak Instamatic system; these are products of American inventiveness and productivity. And no other country has produced the color television sets we can buy today from RCA or Zenith at a price we used to pay for black and white sets. I believe the American people can and should have a choice of Japanese or American cameras and Japanese or American electronic products. Narrow parochialism in trade policy would deny them that choice.

Mr. Chairman, I intend to vote "no" on H.R. 478, and for the reasons I have cited I hope my colleagues will join me in rejecting this unneeded and unwise legislation.

Mr. FINO. Mr. Chairman, I rise in support of this legislation.

I, too, have been disturbed by the recent tariff cuts agreed to by this administration and I strongly support the purpose of this legislation which make certain that none of these changes penalize American workers.

I am very much in favor of the mechanism set up by H.R. 478. On his own or other initiatives, the Secreary of Labor is to investigate any imports from low-wage areas which might threaten a U.S. industry and group of workers employed therein. If the Secretary finds that such unfair competition is hurting American industry and jeopardizing American employment, he so reports to the President. Final action is thus left up to the President, so that in the end,

any action taken under this bill will be coordinated with the State Department and other Government agencies.

I think that this is a good bill and an important bill. I hope that it will be passed forthwith. There are many industries in this country threatened by increasing competition from foreign low-wage areas. If these industries should go under, many of our cities would be faced by rising unemployment at a time when they can least afford it due to the influx of poor rural unskilled workers.

This bill gives the President a tool with which to alleviate any dangerous conditions which might result from the increased access of cheap foreign goods to the U.S. market.

I urge this House to give H.R. 478 a resounding vote of confidence.

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of H.R. 478 to relieve domestic industries and workers injured by increased imports from low-wage areas.

This problem is particularly acute in Florida where the balance of fair competition has been offset by the cheap labor market of Mexico. The tomato and watermelon industries of Florida suffer greatly because they must compete in Eastern markets with Mexican produce that is harvested at a fraction of the cost to Florida growers.

This is the unequal factor which is threatening Florida's fruit and vegetable growers and those other farmers who are dependent on a large labor force. The wage differential between Mexico and the United States has caused a huge imbalance in favor of the Mexican produce, especially tomatoes in the Eastern markets.

This is not healthy competition. Not only is there the problem of the wage difference, but Florida producers and shippers are subjected to workman's compensation, social security, and other prevailing benefits for laborers which are costly and frequently are nonexistent in Mexico and other foreign countries.

The Florida grower who is able to stay relatively close to the import's cost finds that his margin of profit is so low that farming becomes economically unsound.

For Florida fruit and vegetable growers, labor is the largest single cost item involved in producing and marketing their crops, and obtaining an adequate supply of capable harvest labor has become the number one problem to most producers.

It does not appear to me to be reasonable to have imposed on the domestic producer fixed and escalating labor costs created mainly by governmental authority without the benefit of some protection against foreign imports.

Failure to provide this protection afforded in the bill before us will perpetuate this inconsistent policy to the detriment of individual farmers, businessmen, workers, and to the public at large.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to H.R. 478, which would institute new procedures, under the Fair Labor Standards Act, to give some measure of relief to domestic industries and workers injured by rising imports from low-wage areas.

There are many aspects of this legislation which I find most distressing. First and foremost, the language of the bill, read in conjunction with the language of the committee report, seems to indicate that the President is to be given sweeping new powers to set quantitative limitations on imports and to increase duties. If this is the proper construction—and the very vagueness of the bill's language is one of its defects—then we are making the serious mistake of drastically reversing our free-trade policies.

In effect, this legislation seems to enable the President, after receiving affirmative findings from the Secretary of Labor that imports from low-wage areas are adversely affecting the working conditions and standard of living of domestic workers and industries, to take any such actions he deems appropriate to remedy the situation including the setting of product quotas and tariff increases.

Such power, if exercised, would, according to William Roth, our special representative for trade negotiations, bring retaliatory restrictions from other nations, would cause a retraction in world trade and a reduction in our own exports. Needless to say, many other domestic jobs would then be jeopardized and our balance of payments would suffer. In short, this would be a regressive and shortsighted move which would cause grave harm to other sectors of our economy and the principles of international free trade. The damage might be catastrophic if the power were in the hands of a protectionist President some time in the future.

What we are really doing here is granting the President a sweeping authority to set tariff and customs rates—and that is properly a matter to be first considered by the Ways and Means Committee. I believe that in as complex and controversial a field as this, we should be doubly careful to insure that the most careful and informed study is given by that committee with the greatest experience.

Finally, I would merely like to mention the truly intolerable administrative burden this bill could create in the Labor Department. Virtually anyone, according to the wording of the bill, could ask the Secretary of Labor to conduct a study to determine whether the importing of certain products was impairing the general well-being of any group of workers in the United States.

The Secretary is obligated to submit his findings and conclusions within 4 months. It seems to me that such an inundation of work in an unfamiliar area would produce either worthless reports or administrative chaos.

Mr. TALCOTT. Mr. Chairman, I rise in opposition to the passage of this particular bill. Let there be no mistake about my intentions however. I am just as concerned as any Member of Congress about the welfare of the citizens of our Nation—employees, employers, retired, children, disabled, everyone. I am also concerned about imports. I have fought for proper regulation of meat imports. I am concerned about imports of fruits, vegetables, and other agricultural commodities produced with cheap labor. As a matter of fact, I introduced a bill in the 89th Congress on this very subject, H.R. 10179. It would have authorized the Secretary of Labor to conduct investigations into labor conditions in those countries exporting agricultural commodities to the United States. It would have followed almost the same procedure for the initiation of the investigation as today's bill.

However, I do not believe in giving the President the discretion and authority which is contained in the bill before us. My bill would have had the report of the Secretary of Labor submitted to Congress so that the Congress, the constitutionally designated authority for setting tariffs would be responsible for correcting the situation or not correcting it.

Mr. Chairman, I submit that the approach in my bill should have been expanded to cover additional products where it can be shown that imports produced by labor working under conditions detrimental to the maintenance of minimum living standards are impairing the high standards of living achieved in this country for labor covered by the Fair Labor Standards Act.

I ask that my bill be printed at this point in the RECORD so that all interested parties can see the manner in which I believe this problem should be solved.

Mr. TALCOTT's bill is as follows:

H.R. 10179

A bill to encourage an increase in the standard of living, level of wages, and an improvement of the working conditions in foreign countries which export agricultural commodities into the United States

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 "International Farm Labor and Working Conditions Act."

FINDINGS AND POLICY

SEC. 2. The Congress finds that the importation into the United States of agricultural commodities produced in foreign countries where wages and working conditions are substantially below those prevailing in the United States in the production of comparable agricultural commodities results in employment of the facilities and channels of trade of the United States for the purpose of maintaining substandard wages and working conditions to the detriment of workers in the exporting countries and in the United States.

It is declared to be the policy of the Congress, acting under its power to regulate commerce among the several States and with foreign nations, to correct the aforementioned conditions by providing for the imposition of an import duty, in addition to any other customs treatment provided by law, as may be determined to be appropriate under the procedures prescribed in this Act, on agricultural commodities imported into the United States when such foreign agricultural commodities are produced by labor which is paid substandard wages or required to work under substandard conditions to the detriment of the agricultural workers employed in the exporting countries.

SEC. 3. (a) Upon request of the President, or upon resolution of either House of Congress, or upon application of the representative of any domestic agricultural industry or employee organization in a domestic agricultural industry, or upon application of any interested agricultural party, or upon his own motion, the Secretary of Labor shall

promptly make an investigation to determine whether any agricultural commodity is being imported into the United States which is produced in the country of origin under labor conditions substantially below those prevailing in the domestic agricultural industry producing comparable commodities.

(b) In the course of any such investigation the Secretary of Labor shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

(c) The Secretary of Labor shall submit a report of its findings to the Congress not later than one hundred and twenty days after the date of the institution of the investigation. Should the Secretary of Labor find, as a result of the investigation and hearings, that an agricultural commodity is being imported into the United States, which is produced with labor paid wages substantially below those paid employees in similar positions in the United States and under working conditions substantially below those of employees in similar positions in the United States, the Secretary of Labor shall determine the duty that would be necessary, in addition to any other customs treatment provided by law, to equalize the cost advantage to producers in the exporting nation due to those labor conditions.

(d) In arriving at a determination in the foregoing procedure, the Secretary of Labor shall take into consideration:

(1) the prevailing wages and hours in effect in the foreign agricultural industry producing the imported agricultural commodity under investigation and the prevailing wages and hours in the domestic agricultural industry producing the comparable commodity (for the purpose of comparing the foreign and prevailing domestic wages referred to in this provision, the Secretary of Labor shall convert the foreign wages into currency of the United States, in accordance with section 372 of title 31, United States Code);

(2) the approximate labor cost incurred in the production of such agricultural item based upon United States standards;

(3) the difference in the average invoice prices (converted into currency of the United States in accordance with the provisions of section 372 of title 31, United States Code) at which the foreign agricultural article was sold for export to the United States, and the average prices at which the comparable domestic agricultural article was sold at wholesale in the principal markets of the United States.

(e) In the course of any such investigation, the Secretary of Labor or his delegate may seek information and advice with respect to any of the factors he is required to consider in making his determination from the Departments of Agriculture, Commerce, and Interior, the Tariff Commission, and such other sources as the Secretary of Labor or his delegate may deem appropriate.

SEC. 4. The term agricultural commodity means any agricultural product imported in any form.

EFFECTIVE DATE

SEC. 5. This Act shall take effect ninety days after the date of enactment.

Mr. CLEVELAND. Mr. Chairman, I rise in support of H.R. 478. Action by the House to deal with the problems of increased imports, particularly from low-wage areas, is overdue. I support the objectives of this legislation but have reservations as to just how effective it will be, if acted on favorably by the Senate.

I am concerned that passage of this act may prove misleading. For my part I feel that the best approach to the import problem is by negotiated quotas. As I stated in the RECORD on October 3, 1964:

FOREIGN TRADE—GOOD OR BAD?

Closely related to our conduct of foreign affairs is the matter of foreign trade. Generally speaking, I am in favor of a national policy which will foster and increase healthy and fairly competitive foreign trade. If this is properly done, it will strengthen our economy, strengthen our foreign policy, and further reduce world tension. This laudable objective, however, cannot be accomplished at breakneck speed or by sacrificing entire domestic industries on such an altar.

As I have stated many times on the floor of this House, our tariff structure should be reformed to reflect wage differentials between the various foreign nations with whom we compete and trade. If this is not done, it will serve only to place our own industry at an unfair disadvantage and it will retard the advance of wages in countries with whom we trade. Also, our tariff structure should be reformed to reflect and take into account, subsidies—direct or indirect—given by foreign governments to their industries who export to the United States.

My experience with the problem of foreign imports has also led me to believe that the Department of State is not adequately situated or equipped to deal with this problem, and that primary responsibility for it might well be placed in the Department of Commerce or another Government agency.

More recently on Tuesday, September 12, 1967, I stated in the RECORD:

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.

This last statement was made in commenting on the results of my annual questionnaire. I asked my constituents if in general and on balance they favored negotiated quotas to limit imports. They replied as follows:

Negotiated quotas to limit imports?

Yes	2,765
No	1,134
Not sure	757
Blank	213

Mr. WHITENER. Mr. Chairman, I want to reemphasize my sentiments of appreciation for the gentleman from Pennsylvania [Mr. DENT] which I undertook to express in a previous colloquy with him. His tireless efforts in behalf of the American worker and industries which give employment to the worker is bearing fruit today.

It takes no prophetic power to predict that the House will overwhelmingly approve H.R. 478. The tenure of the debate indicates that this legislation meets the approval of the overwhelming majority of our colleagues.

American industry and labor are entitled to a better deal than they have had at the hands of our trade negotiators. While this bill does not give direct relief, it does offer a vehicle which will lead to proper relief. Other legislation now pending in the House of Representatives will go an additional step if and when enacted by the Congress.

The importance of the American textile industry to the economy of the Nation has already been mentioned in debate. The more than 2 million persons employed in our domestic textile industry have been concerned for many years about the attitudes in many Government circles toward the preservation of their jobs and the industries which provide those jobs. The action which we are about to take here today should be reassuring to all of them and carry the message that the House of Representatives will respond to their appeals for assistance.

I wholeheartedly support this legislation. I wish that it were possible to go even further in requiring protection for American workers than is permissible under this legislation. Practical considerations, however, must not be overlooked. The present bill is as far as we could reasonably expect the Congress to go at this time. If the relief procedures embraced in this bill do not bring the desired result, I am confident that a future Congress will take a bolder step in recapturing jurisdiction over foreign trade policies.

I again commend the gentleman from Pennsylvania and assure him that it has been a pleasure for me to work with him during the past 2 years in this important effort. His kindness to several of my constituents when they came before his committee to testify will always be appreciated by them and by me. His courtesy in keeping us informed as to developments from time to time has been very helpful and greatly appreciated.

The ultimate enactment of H.R. 478 should be the goal of all of those who believe that American industry and jobs should be preserved.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that the House, after due deliberation, will resoundingly approve the principles and substance of this bill before us, H.R. 478, which proposes to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas.

Strengthening amendments, which I understand will be offered, for more precise definition of certain terms and directing the study and establishment of a coordinated responsibility of certain other affected Federal departments with the Labor Department, ought, I think, to be granted the approving consideration of the House.

Mr. Chairman, the accelerated concern, over these past several years, of the Congress reflecting the increasing widespread concern of ever-multiplying numbers of American manufacturers and employees throughout the country, is clearly manifested by the hundreds of varied bills introduced by so many different Members in the Congress in responsive effort to develop reasonable and equitable relief from the extreme economic hardships resulting from the excessive imports of ungoverned and unfair foreign competition. I have personally introduced several such bills and have three measures now pending before committees in this Congress that are similar and complementary to the measure under discussion here now.

Despite some contrary publicity, as has been pointed out here, I think it should be stressed the record shows that the vast majority, by far, of the American manufacturers and workers affected are not seeking complete protection from all foreign competition; they are simply asking for an equal chance under mutually

fair competitive conditions in an open market. I think, in all the legislation of the Congress in this area, that is the basic principle and policy the Congress intended to project.

Mr. Chairman, few, if any of us, are diametrically opposed to the basic objectives underlying the accepted long-range purposes of our overall trade expansion program.

However, in fulfilling our responsibility and obligation within this program to our American people, I think it is incumbent upon us to insist that the sentiment expressed by President Eisenhower back in 1953 and the warning presented in the report of the Commission on Foreign Economic Policy should be carefully observed and reasonably carried out. President Eisenhower, in a statement on trade policy contained in his first state of the Union message declared:

> This (trade expansion) objective must not ignore legitimate safeguarding of industries, agriculture, and labor standards.

The report of the Commission on Foreign Economic Policy contains this admonition:

> American labor should not be subjected to unfair competition as a part of any program to expand our foreign trade.

Mr. Chairman, because this sentiment and admonition has been so widely and consistently ignored, increasingly great economic hardship have been and are being inevitably visited upon great numbers of American workers and industries throughout the country and particularly in my own home area where the textile machine tool, shoe and leather and so many other businesses are suffering from an accelerating avalanche of low-cost imports produced under foreign economic conditions that our domestic industries and workers cannot possibly meet without violating our own laws and sabotaging our acclaimed civilized and economic progress.

Mr. Chairman, the original legislative proposal to greatly expand trade agreements contained pledges to guard against the disintegration of American industries from accelerated and excessive foreign competition which could not possibly and immediately be met by any reasonable and practicable means; avenues of appeal to presidential relief authority, under these circumstances, were established. Unfortunately, they have mostly proved to be little more than expensive but idle gestures contrary to the general understanding of the intent of the Congress.

Considering the cost, thus far, of progress of the European Common Market, the vital need of creating continuing employment opportunities for American citizens, the rather unfortunate tendencies of some of our friends abroad to take the fullest trade advantage of us, the dubious wisdom of the apparent overzealousness of some of our own representatives to too generously tender these foreign competitors even more advantages before appropriate adjustments can be made at home, it is little wonder that more and more Members of Congress are introducing more and more separate pieces of legislation to relieve particular situations and more and more responsible business leaders are becoming increasingly concerned over this complex problem.

As I have said before, it is truly not a simple or easy problem to solve but it is just as truly our representative responsibility to try to insure the projection of a fair trade program that will be fair to Americans as well as our foreign friends, and some others not so friendly.

On this score, it is my earnest hope that the legislative wisdom of the Congress, the Presidential prudence, the understanding cooperation of our real friends abroad, and the alert attitudes of business and labor will all combine to sensibly project our international trade agreements while patriotically preventing the visitation of extreme hardships upon many of our regional industries and workers and preserving essential defense resources that we can ill afford to dissipate in the face of continuing Communist challenge.

Mr. Chairman, it is with this hope and in this spirit that I urge the House to approve this bill as evidence of our earnest intention of fulfilling our rightful responsibility to try to find an equitable solution to a very serious problem affecting the continuing economic welfare of increasingly larger segments of American industry and their employees.

Mr. BATES. Mr. Chairman, I rise to support H.R. 478 which has as its purpose, the establishment of certain procedures which could afford some relief to American industries which have been adversely affected from imports from low wage areas.

After the findings of the Secretary of Labor have been submitted to the President, this bill gives discretionary powers to the President to take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law.

It is evident that the foreign wage levels prohibit fair competitive trade for many domestic producers. Low labor rates which have permitted large imports of items which are also manufactured in my district—especially in relation to fish, hats, shoes, leather, and textiles—have greatly affected the pursuit of competitive trade.

There are few sections of the country which, during my 18 years of Congress, have felt so heavily the impact of foreign imports as has my own. For instance, J. B. Stevens has notified me recently that—

> It becomes more and more difficult to compete against foreign wage levels and so-called loopholes in the Tariffs.

Mr. Hans Rie, president of Merrimac Hat Co., of Amesbury, Mass., who manufactures fur felt bodies—hats—stated on March 2, 1967, at the General Subcommittee on Labor that "imports of foreign products have soared." He states that—

> In 1966, imports even surpassed domestic production, and amounted to 56% of domestic consumption. This means that imports today are supplying over 50%, or more, of the domestic consumption in Ladies Fur Felt Bodies.

The New England fish industry to a large degree has been destroyed due to foreign imports and U.S. tariff regulations. The groundfish industry has been stifled with the frozen fish imports, and has repeatedly asked the U.S. Tariff Commission for relief. Not once, but twice, they proved their case to the satisfaction of the Commission. Twice the Commission's decisions were vetoed at the Presidential level. Last week, I received a letter from Mr. Lawrence Hart, secretary of Gloucester Fisheries Association, concerning the proposed U.S. Tariff regulations. He states:

> Local firms engaged in fish cooking processes are very much concerned over the impact that may result from lowering the ad valorem rates on frozen breaded, cooked and uncooked fish sticks and fish portions which will become effective January 1, 1968. The accumulation effect certainly will be felt by all similar processing firms over the country—and there are some 50 or more.

The United States has spent over $100 million in foreign aid and approximately $200 million in counterpart funds to aid foreign fishing. It seems difficult to believe that at the same time the request for relief of our domestic industry was denied.

Irving R. Glass, executive vice president of the Tanners Council, speaking before the Western States Meat Packers Association in San Francisco stated that—

> Leather imports in 1966 continued at an astronomical growth and conversely it was impossible for U.S. leather to be sold in Japan.

Glass stated—

> That the same story of inequity could be repeated again and again, in country after country.

The National Footwear Manufacturers Association has advised me that—

> There has been a drastic increase in the imports of all footwear which now represent 24.5% of domestic production. Imports which only a few years ago were negligible amounted to over 93 million pairs in the first half of 1967.

Mr. Chairman, this legislation is another step in the hope that the injustices of the past can be rectified. I do not expect this bill to be a panacea but, if it is enacted and properly implemented, it could be helpful to many distressed industries.

Mr. MOORE. Mr. Chairman, I rise in support to H.R. 478 and to urge its favorable consideration by this House. For a long time past those of us who serve in the House of Representatives from States that economically feel the pressure which is exerted by the manner in which the trade policies of our country have been handled, believe this to be a necessary step.

Mr. Chairman, during the debate on the Trade Act of the late 1950's, the administration was successful in having the Reciprocal Trade Agreements Act renewed only after the votes of some of the Representatives in this body were literally purchased by the action of the executive branch of Government in granting to certain geographical areas which were selected by the President, relief from our trade policies in order to get their votes. Again in 1960 and 1962 the renewal of the Trade Agreements Act was predicated upon the ability of the

President of the United States to purchase votes of Representatives in this body by promising them relief for the products of the areas which they represented.

Mr. Chairman, I stood firm against any endeavor to convince this Member that a renewal of the Reciprocal Trade Agreements Act was in the best interest of the country at that time and I would take that same position today.

While it has been suggested that H.R. 478 incorporates within itself certain provisions which are already in the law, I believe its approval is necessary. The difficulty of the disadvantaged areas of our Nation have in most trade matters is getting an understanding ear, and I happen to believe H.R. 478 will set in motion a series of events which will permit the question to be heard.

In the past, regardless of how long and hard we have voiced our objections, the Tariff Commission has been totally devoted to the cause of the imported goods, ware, and merchandise.

Believing that the President of the United States, together with the Secretary of Labor should be better prepared to evaluate the damage which is done to the economic welfare of any community in America or to any group of employees by reason of increased imports from low wage adds to the importance of our favorable consideration of this legislation.

Therefore, Mr. Chairman, I will wholeheartedly support H.R. 478 and urge its adoption without amendment.

Mr. BOLAND. Mr. Chairman, I support and will vote for the passage of H.R. 478, the Fair Labor Standards Foreign Trade Act, as reported favorably by an overwhelming majority of our Committee on Education and Labor on August 15, 1967, and now before us for discussion.

I support this bill because, at long last, we have before us procedures by which relief can be given to those domestic industries, workers, and communities which are injured by excessive imports from low-wage areas. This legislation will set up the exact methods by which we in Congress can delegate to the Government official most responsible for the welfare of our American workingman, his working conditions, his wages, and his weekly hours of labor—a method by which he, our Secretary of Labor, can safeguard the high standard of living of America's real source of strength—the workingman.

I support this bill because under it we will ask the Secretary of Labor to do something which his Department is best equipped to do; namely, to check conditions or factors which might affect the well-being of our workingman. His experience with the Fair Labor Standards Act of 1938 and its amendments makes him well equipped to assume this responsibility. For 30 years the Labor Department has applied the criteria set up by that act in such a manner that today the American laboring man has the highest living wage in history and in the whole world. And it is this standard of living which I wish to see safeguarded in all aspects.

This bill, introduced by our colleague, Congressman DENT, of Pennsylvania, on January 10, 1967, will provide extra safeguards against factors which are adversely affecting the well-being of our workers; namely, the widening volume of imports from low-wage countries. After all, if like or competitive items, similar to those manufactured here in the United States, can be sold here in increasing quantities, it is evident that the first one to suffer will be the American working man or woman manufacturing the domestic item.

Often the disparity in prices between similar foreign and local items is not so much that the components are cheaper, but because the labor involved is paid so much less overseas than here. In other words, any item where the labor content is high and is imported from overseas where labor is cheap, will automatically have an advantage over the domestically produced product.

In addition to this advantage, our tariffs are now so low that foreign goods can be placed on our markets at a price little higher than the cost of production overseas. This is the problem. If we continue to allow unlimited importation of such goods, we will be faced with the prospect of the American workingman being forced out of his livelihood.

It is often claimed that our machines are so much more efficient, that our workers outproduce foreign workers, that regardless of our low tariffs we can still compete successfully. But these contentions do not take into consideration the fact that often foreign areas now have machines as modern as ours, that raw components often cost less and, above all, that labor and its fringe benefits costs far less than ours. This is true in many industries whose products are everyday necessities, like textiles, chemicals, glass, lumber, footwear, rubber products, leather items, and electronic equipment.

Hitherto, if any industry felt that excessive imports of competitive items tended to cause injury, an appeal to the Tariff Commission could result in an investigation of the alleged injury. However, it is a fact that the Tariff Commission will only consider it an injury if excessive imports are due to a tariff concession and is caused because too large a percentage of the domestic market has been taken over by imports.

It is also a fact that not once in the last 5 years has a single industry received any help whatsoever from the Tariff Commission against injurious imports. The answer always has been that an industry should be considered on a national scale—for example, even if the cotton textile or footwear industry in the East of the Nation is hampered by excessive imports, the industry as a whole throughout the Nation cannot claim the same injury. The inescapable conclusion has been that the remedy of "adjustment assistance" under the Trade Expansion Act of 1962 is for all purposes completely inadequate. The total industry must be flat on its back before help can even be considered. And such help means reeducation of workers for other work or relocation in other areas. Such a solution has proved to be completely unacceptable.

This bill gives a much more positive hope to our industries suffering from excessive imports.

The Secretary of Labor will investigate upon complaint whether the standard of living of our workingman is affected by imports. If such imports come from areas where foreign workers are paid substantially less than ours, then a remedy is outlined by which the competitive advantage is reduced—by increasing tariffs, or imposing quotas, or other customs procedures. The President will have to initiate the final action.

Thus, in the interest of all those Americans whose livelihood is threatened by excessive imports from low-wage areas of the world, I would urge prompt passage of this bill.

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 478. I was reluctant to take the time of the Committee under the 5-minute rule because everyone seemed to favor the enactment of this bill, to relieve our industries and workers, injured by imports from low-wage areas.

Our own bill, H.R. 12798, introduced earlier this month, was referred to the Committee on Ways and Means and was primarily concerned with damage to our textile workers. Our office introduced earlier legislation to help prevent injury and damage to our steel mill and its workers, located in the Big Blue Valley in the form of antidumping bills covering wire, nails, and other steel products.

As I listened to the debate, I was impressed by the varying expressions of optimism and pessimism as to how effective this bill would be to help our industries and workers that suffer from imports coming from countries where foreign goods are produced under conditions altogether dissimilar from the high standard of living enjoyed by our people.

For one, I prefer to be optimistic in the hope this bill will be of material assistance. It is quite frankly admitted this is not a tariff bill and not an amendment to the basic tariff law. The approach is quite different from other approaches which have been attempted in the past.

On the other hand, the measure is quite clear in providing that the Secretary of Labor shall promptly make an investigation at such time as a resolution of either House of Congress, or an employee organization, or even upon the application of any interested party, or upon his own motion.

It further provides:

> The Secretary of Labor shall promptly report no later than four months later whether any product is being imported into the United States that is produced under such conditions as to be a serious impairment or threat of impairment to any group of workers in the United States or to the economic welfare of the community in which such workers are employed.

During the debate, it was mentioned the only mandatory provision in the entire bill is that the Secretary of Labor shall or must make his report public. All of us would prefer that the action specified to be taken by the chief executive should also be made mandatory rather than permissive. For that reason we cannot labor under any illusions that this bill will invalidate any existing agree-

ment, but as emphasized during the debate, everyone must learn to crawl before they can walk. By this last figure of speech, I am sure it was meant that to go further than the permissive provisions at this time would result in the possible failure of this bill.

Mr. Chairman, before I neglect to do so, I want to commend the gentleman from Pennsylvania [Mr. DENT], the chairman of the subcommittee and the author of H.R. 478, as well as the members of his committee. He has long been in the forefront of this battle to help the American worker escape injury by imports from low-wage areas. He deserves commendation from every one of us that believe our workers should be protected.

Returning to a consideration of the need for a stronger bill, I think we must recognize this measure opens the door, and while action by the President is only permissive, I do not believe any President can long withstand the strong pressure of public opinion. If it is shown our workers are being hurt, he would be almost compelled to take some action.

Finally, Mr. Chairman, it seems to me that this bill will provide another or an additional vehicle to work out the problem of relief for our workers. It is quite possible this bill will make the tariff commission more active. If this measure can become law, the tariff commission will know in the future that there is another agency looking over its shoulders, or to put it differently, keeping an eye on their action or inaction as the case may be.

H.R. 478 may not contain everything that many of us would prefer, but it is certainly a step in the right direction and I am optimistic that if it is enacted it will prove beneficial in the protection of our American industry and its workers.

Mr. BELL. Mr. Chairman, I have no further requests for time.

Mr. DENT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

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 "Fair Labor Standards Foreign Trade Act".

CONGRESSIONAL FINDING AND DECLARATION OF POLICY

SEC. 2. (a) Subsection (a) of section 2 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. sec. 202), is amended to read as follows:

"(a) The Congress finds that the existence in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers and the unregulated importation of goods produced by industries in foreign nations under such conditions (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce."

(b) Section 2 of such Act is further amended by adding the following new subsection:

"(c) It is further declared to be the policy of this Act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to provide for the regulation of imports of goods in such manner as will correct and as rapidly as possible eliminate any serious impairment or threat of impairment to the health, efficiency, and general well-being of any group of workers in the United States and the economic welfare of the communities in which they are employed from conditions above referred to in the industries providing them employment in which increased imports are a substantially contributing factor."

SEC. 3. Subsection (e) of section 4 of the Fair Labor Standards Act of 1938, as amended, is amended to read as follows:

"(e)(1) Upon the request of the President, or upon resolution of either House of Congress, or upon application of the representative of any employee organization in a domestic industry, or upon application of any interested party, or upon his own motion, the Secretary of Labor shall promptly make an investigation and make a report thereon not later than four months after the application is made to determine whether any product is being imported into the United States under such circumstances, due in whole or in part to the fact that such foreign goods were produced under conditions such as those referred to in subsection (a) of section 2 of this Act which are causing or substantially contributing to serious impairment or threat of impairment to the health, efficiency, and general well-being of any group of workers in the United States or to the economic welfare of the community in which any such group of workers are employed.

"(2) In the course of any such investigation the Secretary or his delegate shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"(3) Should the Secretary find, as a result of the investigation and hearings, that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, he shall promptly report his finding to that effect to the President. The Secretary shall immediately make public his findings and report to the President, and shall cause a summary thereof to be published in the Federal Register.

"(4) Upon receipt of the report of the Secretary containing a finding that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, the President may take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law."

SEC. 4. This Act shall take effect not later than one hundred and eighty days after the date of enactment.

Mr. DENT (during 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 Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I suspect I will vote for this bill, but I am laboring under no illusions about what it will not do. The House has heard a great deal in the last 2 days on the subject of delegation of power to the President, the fact that Congress has spinelessly delegated power to the President. Then, one of the first bills we get, after all this, is another delegation of power to the President.

Why did the bill not make it mandatory upon the President, in the event a finding is made that labor is being injured by foreign imports, that the imports be excluded?

So I labor under no illusions about what will be accomplished under this bill. I would only support it because of the possibility that some good may be accomplished.

What we ought to do in this Congress; what we ought to have done a long time ago—and I am not any Johnny-comelately to this business—is to throw out the Trade Agreements Act. I have never voted for it in 19 years. I fought it under the Eisenhower administration. I am still opposed to it. What we must have is a tariff representing the differential in the cost of production as between any domestic product in adequate or surplus supply in this country, and any product that is brought in from a foreign country. We will not cure anything until we adopt this kind of policy as a matter of law dealing with foreign trade.

We can pass this kind of legislation from now until doomsday, and we will not cure the situation. It will be cured when the Trade Agreements Act comes up for extension and we either throw it out bodily or put provisions in it to protect American agriculture, industry, and labor. That is the only way we are going to do it.

Mr. DENT. Mr. Chairman, will the gentleman yield?

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

Mr. DENT. Mr. Chairman, I know the feeling of the gentleman in this matter, and, of course, he knows how I feel and have felt for years. However, when I was a small boy, I learned a lesson that I later took into the legislature with me, some 25 years ago. I learned to crawl before I walked, so as not to fall and hurt myself.

We have had a difficult time for 33 years in this particular interest we have on the floor today. To go further than what we are going now would spell absolute defeat for the legislation. This is an important step. We are for the first time using as a criteria the one ingredient in trade that has been ignored: The question of cost of production based on a mandated wage.

This opens the door to further discussion as we go along. We make public the findings of the Secretary. We make it mandatory that he must make a report on the subject. It will become public at the time it goes to the President.

Presidents, like legislators, move on the will of the people. If it is as serious as we believe it to be, action will be taken by the President. If we are fooled and it is not serious, then action will not be taken. But no President will be able to withstand public opinion if an in-

dustry is going to shut down in any town and a recommendation is made that he do something about it.

I agree with the gentleman on a compensatory system. I believe the world someday, when it becomes industrialized, will have to have it—but not today.

Mr. GROSS. Let me stop the gentleman there. I do not support compensatory payments out of the U.S. Treasury.

Mr. DENT. I do not either.

Mr. GROSS. I am glad to have that statement from the gentleman from Pennsylvania.

The gentleman spoke of crawling.

The Congress crawled to Harry Truman on this issue.

The Congress crawled to Eisenhower on this issue.

The Congress crawled to Kennedy on this issue.

Now we are showing signs of crawling to the present President of the United States on this issue of tariffs and the protection of industry, agriculture, and labor in this country. I want to see it stopped.

Mr. DENT. I must say to the gentleman, we are not exactly crawling. We are up off our knees. We may not be walking fast, but slowly we are getting to where we will stand straight up.

Mr. WYMAN. Mr. Chairman, I move to strike the requisite number of words.

I should like to make inquiry of the subcommittee chairman about lines 16, 17, and 18 on page 4 of the bill, where it says:

> The President may take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law.

I wonder if the chairman would give us an illustration or two of the type of action the President might take if he is inclined to afford protection, as contemplated under the bill if the actual situation exists.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Pennsylvania.

Mr. DENT. The entire answer—and I believe the gentleman should have it all—is on page 2 of the report. If the gentleman insists, I will be glad to read it. I believe the gentleman should read it.

Mr. WYMAN. Would the gentleman just give me a summary of it, not from the report; just an indication in brief as to what the President can do?

Mr. DENT. If the damage has been proved in a certain industry, with a tariff rate of 7 percent, and it is proved the damage being done would require 15- or 20-percent increase in the tariff to meet the cost of production of this particular industry, he could raise that tariff. If a quota is allowed, and the quota percentage is taking such a bite out of the market as to require it, regardless of the cost of production, greater than the industry can stand, he could increase the quota.

Mr. WYMAN. But this bill would not give him that power.

Mr. DENT. He has the power now. The only real difference between this legislation and the law today is that we are to force the Secretary of Labor to make the study. So far as the power of the President to give relief is concerned, he has that now under the Trade Act. We are starting from a different base to show the damage.

Mr. WYMAN. Is it not a fact that the conditions to which this bill refers also exist today in many industries?

Mr. DENT. They certainly do, in my humble opinion, judging from testimony of witnesses who have appeared before our committee. But they have no way of making this damage known, because under the present Trade Act and Tariff Commission Act they can only take an entire industry into consideration in assessing damage, whereas this would give an opportunity to a segment of an industry, to a community that is hurt, or to labor in the industry to make complaint.

Mr. WYMAN. But if they can make it known through their Representatives in Congress, by having it printed in the CONGRESSIONAL RECORD and by direct appeal, and if the Chief Executive has the authority now, why is it action is not taken to protect industries and workers in such situations?

Mr. DENT. Because he has to have his recommendation from the Tariff Commission under present law.

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

Mr. WYMAN. I yield to the gentleman from North Carolina.

Mr. JONAS. I think the gentleman from Pennsylvania just now clarified the issue and made it crystal clear, as I understood it all the while, that this legislation only changes existing law giving responsibility to the Secretary of Labor to conduct hearings and make findings and that in doing so he is not required, as the Tariff Commission is required under existing law, to consider an entire industry. In other words, he can consider segments of an industry.

If the gentleman will yield further, while I am supporting this bill, I would much prefer to support the Mills bill. I hope to be able to have it on the floor so I can vote for it before this session is over.

Mr. DENT. So do I.

Mr. JONAS. I had intended to participate in this debate, but I have been tied up all day in the Committee on Appropriations. We have been in almost continuous session since the action of the House last night. I have not been able to attend the discussion today on this measure, but I appreciate the indulgence of the gentleman from New Hampshire in permitting me to say here that I am supporting this bill and hope it passes.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. What this bill does—the gentleman was not quite correct when he said he believes it should be spread on the record—what this bill does is it gives the aggrieved parties a broader vehicle in which to spell out grievances and call them to the attention of the President. What this bill will do is put a counterbalance in to the Tariff Commission which has been oblivious to these problems in the past.

Mr. WYMAN. If it is spread on the public record is it the position of the gentleman that it will help to obtain the relief which is needed and desirable.

Mr. PUCINSKI. I think that the Tariff Commission will start to become more responsive to the problems than they have because they know that there is another agency looking over their shoulders. That is the value of this legislation, in my judgment.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman.

Mr. ANDREWS of Alabama. I want to take this opportunity to commend the gentleman from Pennsylvania and all of the other members of this committee who are supporting this bill and hope that we can accept the terms of this bill, because it will be one of the most important pieces of legislation we have enacted in this session.

Mr. SCHERLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during the short colloquy between the Members of the House a moment ago the Tariff Commission was mentioned as to the part this department will play in this bill. I have before me a list of 21 investigations that have been requested by various industries throughout the United States. My point is that two agricultural bills could work very well in conjunction with H.R. 478, which I hope we will adopt this afternoon; namely, the dairy import bill and the meat import bill. If I am not mistaken, there have been 262 Members of this Congress who have introduced the Dairy Import Act of 1967, and 114 Members who have introduced meat import legislation. It is surprising to me that under the Agricultural Adjustment Act, which is a piece of legislation that Secretary Freeman has at his disposal, he cannot see the problem as it exists today. I certainly hope that the Secretary of Agriculture will read this RECORD and see exactly what we have in mind. It is surprising to me that under the Agricultural Adjustment Act, which is a piece of legislation that Secretary Freeman has at his disposal, he cannot see the problem as it exists today. I certainly hope that the Secretary of Agriculture does read this RECORD and see exactly what we have in mind.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. SCHERLE. I yield to the gentleman.

Mr. MYERS. In the committee report it is suggested that certain agricultural products would be included, and in the colloquy this afternoon the gentleman from South Carolina suggested that meat products would be included. My question is will raw meat imported into this country be included in the restrictions of this proposed legislation? Will the import of raw meat other than canned meat be included? I am talking about raw meat now.

Mr. DENT. Yes. Absolutely. In fact, it might interest you to know that perhaps we will even have a crack at imported kangaroo meat.

Mr. MYERS. I do not want to import any kangaroo meat.

Mr. DENT. They are importing it. That is the trouble.

Mr. MYERS. They do not come under the provisions of this proposed legislation, then, do they?

Mr. DENT. That is right.

Mr. SCHERLE. Mr. Chairman, at page 4, starting with line 4, the language states:

Should the Secretary find, as a result of the investigation and hearings, that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, he shall promptly report his finding to that effect to the President.

I am sure that this takes in all products, beef products as well as other products.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 4, immediately after line 18, insert the following:

"SEC. 4. (a) Section 313(h) of the Tariff Act of 1930 (19 U.S.C. 1313(h)) is amended by inserting before the period at the end thereof the following: ', except that, if the imported merchandise is imported directly or indirectly from a country or area which is dominated or controlled by Communism, no drawback shall be allowed under subsection (a) or (b).'

"(b) The amendment made by subsection (a) shall apply with respect to merchandise imported into the customs territory of the United States on or after the 30th day after the enactment of this Act."

And renumber the following section accordingly.

Mr. DENT. Mr. Chairman, I dislike to do this, but I must make a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. DENT. Mr. Chairman, the amendment is an amendment to the Tariff Act of 1930, as amended.

This legislation represents an amendment to the Fair Labor Standards Act. The amendment, in my opinion, is not germane, since the provisions of the Tariff Act come under the jurisdiction of the Committee on Ways and Means and not under the jurisdiction of the committee or the subcommittee which it is my honor to chair.

However, Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Mr. Chairman, during the debate, my distinguished colleague, the gentleman from Pennsylvania [Mr. DENT], indicated that this bill would convey considerable authority to the President to deal with imports. Therefore, it is my opinion that the gentleman from Pennsylvania [Mr. DENT], having in mind the philosophy of this proposed legislation, would be glad to see it improved through the adoption of this amendment.

The CHAIRMAN (Mr. BROOKS). The Chair is prepared to rule.

The bill before the committee amends two sections of the Fair Labor Standards Act of 1938. The amendment to section 2 adds further policy declarations to that act. The amendment to section 4 modifies the provision in current law which provides for investigations by the Secretary of Labor to determine the effect of imports in the domestic labor market.

The amendment offered by the gentleman from Illinois goes to another law—the Tariff Act of 1930—a matter not touched on in the bill now under consideration. The Chair has examined a ruling made by Chairman Smith of Virginia, in the 81st Congress, where a similar situation was presented. There the committee had under consideration a bill amending the Defense Production Act of 1950, establishing a system of priorities and allocations for materials and facilities. An amendment proposing to amend the Housing and Rent Act of 1947, relating to rent controls, was ruled out as not germane—81st Congress, second session, August 3, 1950, RECORD, page 11751.

The Chair holds that the amendment is on a subject not before the Committee at this time and sustains the point of order that the amendment is not germane.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS, 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. 478) to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, pursuant to House Resolution 925, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

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 question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 340, nays 29, not voting 63, as follows:

[Roll No. 285]

YEAS—340

Abernethy
Adair
Addabbo
Albert
Anderson, Tenn.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashmore
Ayres
Baring
Barrett
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolton
Bow
Brasco
Bray
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson
Burton, Utah
Bush
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carey
Carter
Casey
Cederberg
Chamberlain
Clancy
Clark
Clawson, Del
Cleveland
Conable
Conte
Conyers
Corbett
Cowger
Cramer
Culver
Cunningham
Daddario
Daniels
Davis, Ga.
Davis, Wis.
Delaney
Denney
Dent
Devine
Dickinson
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Fisher
Flood
Flynt
Ford, Gerald R.
Ford, William D.
Frelinghuysen
Friedel
Fulton, Pa.
Fuqua
Galifianakis
Gallagher
Gardner
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Goodell
Goodling
Gray
Green, Oreg.
Gross
Grover
Gubser
Gude
Gurney
Hagan
Haley
Hall
Halleck
Hamilton
Hammer-schmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Herlong
Hicks
Horton
Howard
Hull
Hunt
Hutchinson
Ichord
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
King, N.Y.
Kirwan
Kleppe
Kupferman
Kuykendall
Kyl
Kyros
Laird
Langen
Latta
Lennon
Lipscomb
Lloyd
Long, La.
Lukens
McCarthy
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McFall
McMillan
MacGregor
Machen
Mahon
Marsh
Martin
Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Miller, Ohio
Mills
Minish
Mink
Monagan
Montgomery
Moore
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Multer
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neal, Ga.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Ill.
Price, Tex.
Pryor
Pucinski
Purcell
Quillen
Railsback
Randall
Reid, Ill.
Reifel
Reinecke
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Rivers
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roth
Roush
Roybal
Ruppe
St Germain
St. Onge
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Taft
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thompson, N.J.
Tiernan
Tuck
Tunney
Ullman
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Wilson, Charles H.
Winn
Wright
Wyatt
Wydler
Wylie
Wyman

Yates	Zablocki	Zwach
Young	Zion	

NAYS—29

Bingham	Griffiths	Resnick
Bolling	Holifield	Rosenthal
Burton, Calif.	Irwin	Rumsfeld
Cohelan	King, Calif.	Ryan
Dellenback	Leggett	Scheuer
Eckhardt	Long, Md.	Talcott
Findley	Mailliard	Udall
Foley	Miller, Calif.	Van Deerlin
Fraser	Quie	Whalen
Gonzalez	Reid, N.Y.	

NOT VOTING—63

Abbitt	Edwards, La.	Madden
Adams	Everett	Michel
Anderson, Ill.	Fascell	Minshall
Andrews, Ala.	Feighan	Mize
Arends	Fino	Moorhead
Aspinall	Fountain	Morgan
Ashley	Fulton, Tenn.	Moss
Brock	Gilbert	Murphy, N.Y.
Brademas	Green, Pa.	O'Konski
Broomfield	Halpern	O'Neill, Mass.
Brown, Ohio	Hanna	Rarick
Button	Holland	Rees
Celler	Hosmer	Reuss
Clausen, Don H.	Hungate	Roudebush
	Jacobs	Sullivan
Collier	Jones, Ala.	Thomson, Wis.
Colmer	Kazen	Utt
Corman	Kluczynski	Vander Jagt
Curtis	Kornegay	Williams, Miss.
Dawson	Landrum	Willis
de la Garza	Macdonald, Mass.	Wolff
Derwinski		

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill of Massachusetts with Mr. Arends.
Mr. Aspinall with Mr. Broomfield.
Mr. Kornegay with Mr. Don H. Clausen.
Mr. Andrews of Alabama with Mr. Utt.
Mr. Celler with Mr. Fino.
Mr. Morgan with Mr. Roudebush.
Mr. Feighan with Mr. Minshall.
Mr. Gilbert with Mr. Michel.
Mr. Moss with Mr. Curtis.
Mr. Murphy of New York with Mr. Halpern.
Mr. Green of Pennsylvania with Mr. Derwinski.
Mr. Wolff with Mr. Anderson of Illinois.
Mrs. Sullivan with Mr. Brock.
Mr. Adams with Mr. O'Konski.
Mr. Brademas with Mr. Hosmer.
Mr. Corman with Mr. Thomson of Wisconsin.
Mr. Moorhead with Mr. Collier.
Mr. Fulton of Tennessee with Mr. Mize.
Mr. Fountain with Mr. Brown of Ohio.
Mr. Madden with Mr. Edwards of Louisiana.
Mr. Kluczynski with Mr. Vander Jagt.
Mr. Ashley with Mr. Button.
Mr. Williams of Mississippi with Mr. Abbitt.
Mr. Landrum with Mr. Rarick.
Mr. Jones of Alabama with Mr. Hanna.
Mr. Fascell with Mr. Jacobs.
Mr. Colmer with Mr. Hungate.
Mr. Macdonald of Massachusetts with Mr. Dawson.
Mr. Reuss with Mr. Casey.
Mr. Rees with Mr. Willis.
Mr. Holland with Mr. Everett.

Mr. COHELAN changed his vote from "yea" to "nay."

Mr. ESCH changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

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

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 13026. An act to extend through March 1968 the first general enrollment period under part B of title XVIII of the Social Security Act (relating to supplementary medical insurance benefits for the aged), and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1862) entitled "An act to amend the authorizing legislation of the Small Business Administration, and for other purposes."

RESOLUTIONS OF THE 33D SOUTHERN GOVERNORS' CONFERENCE RELATING TO TEXTILES AND BENZENOID CHEMICALS

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

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

There was no objection.

Mr. LANDRUM. Mr. Speaker, the Governors of 13 Southern States have unanimously resolved that legislation pending before the Congress for the purpose of controlling imports of manmade fibers and textile products made of wool, silk, and manmade fibers be forthwith enacted, and that the supplemental agreement on chemicals to repeal the American selling price method of valuation, entered into by our negotiators during the Kennedy round, be roundly defeated when it comes before the Congress for implementing legislation.

The first resolution points out that such legislation is in keeping with our longstanding trade policy of controlling excessive imports which seriously affect domestic industry and employment. This policy has its genesis in the reciprocal trade agreement concept and its author in former Secretary of State Cordell Hull, who, serving as a member of a special Presidential study group, made this recommendation in 1935. Since that time it has continued to form the cornerstone of U.S. trade policy, advanced and defended by every President and administration since its inception.

Unless we are guided by the Governors' resolution and act with dispatch on this legislation, which incidentally is cosponsored by 62 Members in the Senate and 139 Members of this body, we shall witness a substantial loss of investment and jobs throughout the textile-producing States with repercussions to the entire national economy.

Mr. Speaker, the second resolution is no less important to the economy of the South, and indeed, of the entire country. The American selling price system protects the jobs and livelihood of 116,000 benzenoid chemical workers throughout the United States.

In the Kennedy round, our negotiators agreed to reduce tariffs on chemicals by approximately 50 percent in return for a mere 20-percent reduction by the Common Market countries and the United Kingdom. In the so-called separate package agreement, the United States agrees to eliminate the ASP valuation system and further reduce its chemical duties in return for an additional 30-percent cut by the Common Market and the United Kingdom for which we already bought and paid for in the Kennedy round. It is this blatant lack of reciprocity that the Governors were compelled to unanimously oppose in the resolution.

By unanimous consent, I include both resolutions in the RECORD at this point:

TEXTILES

Whereas, thirty-two years ago the President of the United States recognized the adverse effect upon the domestic textile industry of excessive textile imports into the United States and directed that a study be made of the situation by a committee and that recommendations should be made to him as to how the matter should be handled; and

Whereas, the finding of this committee was that a voluntary agreement should be entered into between the principal exporter, Japan, and the United States; and

Whereas, it is particularly significant that the author of the Reciprocal Trade Agreement concept, former Secretary of State Cordell Hull, was a member of the committee making this recommendation to the President in 1935, and so it may be accurately stated that concurrent with the inception of the Reciprocal Trade Agreement policy of our Government was the recognition that it is both desirable and necessary to control excessive textile imports when they are seriously affecting the domestic industry; and

Whereas, this established principle of the foreign trade policy of the United States was given further recognition and implementation in 1956 when President Eisenhower directed that steps be taken to limit Japanese cotton textile exports to the United States, and a voluntary arrangement with Japan was entered into for a period of five years, 1957–1961; and

Whereas, continuity of this principle was recognized when, upon the expiration of this five-year arrangement in 1961, a one-year extension was negotiated; and

Whereas, there was a full awareness of these historical facts when President Kennedy inaugurated his seven-point program on May 2, 1961, under which program there was negotiated a one-year short-term cotton textile arrangement by the United States and 18 other signatory nations, and in 1962, there was negotiated a five-year long-term cotton textile arrangement (LTA) among 29 nations and the United States, running from October 1, 1962, to September 30, 1967, that this further established said principle as an ingrained part of the foreign trade policy of the United States, which has this year been projected into the future by the extension of the LTA for a period of three years to September 30, 1970; and

Whereas, on June 30, 1961, at the time the one-year short-term cotton textile arrangement was being negotiated, President Kennedy stated: "It should be borne in mind that the contemplated negotiations are designed as one of a series of efforts to assist the textile industry. Our objective is to assist the industry to overcome all of the handicaps which it faces. The State Department is being instructed to get the best possible re-

lief, not only for cotton, but for other fibers"; and

Whereas, on October 26, 1964, President Johnson when speaking of the Administration's textile program stated:

"When this Administration took office serious difficulties confronted this industry . . . It was determined to find answers . . . We know the job can be done. We must now focus on the remaining weak spots and implement the rest of our program . . .

"I am convinced that our program for textiles is in the best interests of all America. I intend to pursue it to a successful conclusion."

Whereas, the nation's textile trade policy necessarily embraces both the textile fibers and the products made therefrom, and this policy has been partially implemented by the imposition of import quotas on raw and processed cotton fiber, and by domestic subsidies for wool production; and

Whereas, the Congress has under consideration legislation designed to establish an equitable quantity of imports of man-made fibers and man-made fiber, woolen and silk textile products cosponsored by 62 Senators and 139 Representatives; and

Whereas, to date effective steps have not been accomplished by our Government to equitably control access to the United States market by foreign suppliers of textile fibers and products made therefrom and the need to do so is all the more apparent in light of the conclusion of the Kennedy Round tariff cutting negotiations and their impact in particular upon the textile areas in the Appalachian region, which is the object of special attention by the Federal Government as well as the respective state governments:

Now, therefore, be it resolved that the Southern Governors' Conference requests the Congress to enact the pending textile legislation, and the Administration to fully implement its textile program by establishing arrangements to equitably control access to the United States market by foreign suppliers of man-made fibers and textile products made of wool, silk, and man-made fibers and to administer those existing arrangements covering cotton textile products so that the best interests of our national economy and security, and the welfare of labor and management and the consuming public may best be served; and

Be it further resolved that a copy of this resolution be transmitted to the President of the United States, his Cabinet, the members of Congress, and to William M. Roth, the President's Special Representative for Trade Negotiations.

CHEMICALS

Whereas, the Kennedy Round of tariff negotiations will seriously and adversely affect the domestic chemical industry, which includes many firms with plants and offices in States which are members of this Conference; and

Whereas, the implementation of the Agreement Relating Principally to Chemicals, Supplementary to the Geneva (1967) Protocol, including the repeal of the American Selling Price method of customs valuation, would have additional serious and adverse effect on the domestic chemical industry and on its operations in said States and the workers and communities in which they are located; and

Whereas, the proposed foreign tariff reduction which would be gained as a result of implementation of said Supplementary Agreement will not offer any significant opportunity to increase chemical export sales:

Now, therefore, be it resolved by the Southern Governors' Conference that the Executive Branch of the Federal Government, including the Office of the Special Representative for Trade Negotiations, and each member of the Congress, be advised that the Southern Governors' Conference:

(1) firmly opposes implementation, by legislation or otherwise, of said Supplementary Agreement including the repeal of the American Selling Price method of customs valuation, and

(2) urges that the Congress of the United States conduct a thorough study to determine the effects of the multilateral tariff reductions in the Kennedy Round upon the worldwide competitive position of the domestic chemical industry and the U.S. balance of payments before any further trade negotiations are undertaken by the U.S. government; and

Be it further resolved that a copy of this Resolution be forwarded to the President of the United States, the members of Congress, and to William M. Roth, the President's Special Representative for Trade Negotiations.

LET UNCLE SAM DO IT

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper editorial.

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

There was no objection.

Mr. GROSS. Mr. Speaker, it is refreshing to see that among all the journalistic bleeding hearts in this country, who wept so effusively over the recent rat race in this Chamber, one newspaper, the Waterloo, Iowa, Daily Courier, had the discernment to put the issue in its proper perspective. I commend the Courier's excellent editorial to the attention of House Members—and particularly those who have, once more, rushed to the wailing wall to throw away another $40 million of the taxpayers' money:

BOTHERED BY RATS? CALL IN UNCLE SAM

The U.S. House has reversed itself and voted a two-year appropriation of $40 million which may be used for the control of rats in some of the big cities.

Opponents of the bill during the early rejection of the program had been crucified in a most vicious manner. They had been pictured in some cartoons in eastern publication as standing by joking while rats gnawed on little babies.

The real issue, of course, was whether another categorical appropriation establishing a new federal rat control bureaucracy was necessary and desirable. Opponents took the logical position that if people could be trained to put their garbage in a closed container and if poison could be put in crevices out of the reach of children and pets, any city in the country could operate its own rat control program.

Iowa, because of the storage of grain, undoubtedly has far more rats than any metropolitan city. But Iowa farmers consider rats their own problem and they do not think a new federal bureaucracy should be created to kill rats for them.

The rat control bill is an excellent example of the way the politician is unable to withstand pressures for additional spending. Fortunately, however, the new measure which passed the House is not a categorical grant program but an addition to an appropriation for general health programs. Thus, if officials discover that all of the $40 million is not needed to kill rats, it can be used for some other worthwhile health purpose.

But the public has no just cause to complain about this type of nonsensical federal spending. Very few voters write to their congressman because they don't want something. They write in vast numbers only when they want some additional benefit from the federal government under the illusion that it is free. This is what happened on rats.

PRESIDENT JOHNSON HAS ASKED ME TO FIGHT ON FOR A STRONG TRUTH-IN-LENDING BILL, INCLUDING FULL COVERAGE OF REVOLVING CREDIT

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

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

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, in view of what happened yesterday morning in the Subcommittee on Consumer Affairs of the House Banking and Currency Committee when we began consideration of H.R. 11601, the Consumer Credit Protection Act, I want to advise the House of the fundamental issue in controversy on this legislation.

It is the question of whether the department stores, the big chainstores, and others using the device of revolving credit should be required, along with every other vendor of credit—I repeat, along with every other business which extends consumer credit—to express the costs of their credit on an annual percentage rate. In the case of the department stores and others using revolving credit, this percentage rate would usually have to be expressed as 18 percent—a figure so high, and one which would come as such a shock to customers unaware that 1½ percent a month is 18 percent a year, that the firms using revolving credit know very well the rate would make them look very bad.

That is the issue on which my subcommittee is now divided 6 to 6. There are other issues on which we are similarly divided in this bill, but the revolving credit issue is undoubtedly the one which prompted the opponents of H.R. 11601 to take advantage of the absence of one Member yesterday to force adjournment of our executive session.

Mr. Speaker, I want the Members of the House to know that the President of the United States told me—not once, but at least three times—last Friday, when I was at the White House for a consumer conference, that he wanted me to fight on for a strong bill, including provisions for requiring all consumer credit to be expressed on an annual percentage rate basis. This includes revolving charge.

Many stories have come back to me implying that the administration is not really very concerned about the revolving charge issue and would be quite willing to settle for the Senate-passed bill on truth in lending, which exempts revolving charge from an annual percentage rate requirement. These stories do not square with what the President told me, what Betty Furness told me, what Under Secretary of the Treasury Barr told me, and what everyone else in the administration who has any responsibility for administration activity on behalf of the legislation has told me. So I am going to fight on for inclusion of revolving charge—I am going to keep up this fight.

It is good to know that in this effort I also have the expressed and, I believe, sincere support of the bankers, the furniture, appliance, hardware, and other

stores not using revolving charge, the automobile dealers, the credit unions, and all of those firms and organizations engaged in consumer credit transactions other than revolving charge who have advised my subcommittee that the exemption for revolving charge in S. 5 as it passed the Senate constitutes a bitterly unfair discrimination against them when they compete with the department stores or big mail order chains on credit transactions.

PRESIDENT JOHNSON ASKS THE CONGRESS TO JOIN THE PEOPLE OF SOUTHEAST ASIA IN A NEW ERA OF DEVELOPMENT

Mr. FRIEDEL. 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 Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, the United States of America, once a nation isolated from others by two great oceans, is today a nation deeply involved in the peace of the world.

Where the first half of the 20th century witnessed our commitments to the nations of Europe, to help preserve Western civilization, culture, and enterprise, in the 1950's and 1960's we have become a nation deeply interested in the future, development, and security of the new and old countries of Asia.

Therefore, the important message which President Johnson sent to the Congress Tuesday on the future of the Asian Development Bank, is a strong commitment to intelligent economic and social progress for the nations of Southeast Asia.

The President has asked the Congress to make a pledge—a pledge of $200 million for special projects sponsored by the Bank over the next 4 years.

Our pledge will be a minority pledge, and will only be honored when the other members of the Asian Development Bank subscribe their contributions. No funds will be needed out of this year's budget. In addition, whatever our contribution, it will be available only for the purchase of U.S. goods and services for use in Asia.

This Nation has always believed in self-help by other nations. We have always been willing to make substantial contributions to international funds if there was agreement from friends and allies to equal or go beyond the American contribution. We have always stressed the need for the development of a sound internal structure in Asian nations—schools, highways, a balanced economy with jobs, industrial development, and so forth. Now we have an opportunity to make a solid contribution to Asian development through a regional organization which is basically an Asian innovation.

I congratulate President Johnson for never losing sight of basic social and economic development for Asia, even while American troops are giving their lives to maintain security and independence for one small Asian nation.

Make no mistake about it. The peoples of Southeast Asia know that the war in Vietnam is not just a war for the freedom of one small, struggling country. It is a war for the freedom and independence of all Southeast Asian countries.

The people of Southeast Asia welcome the American commitment to the Asian Development Bank.

The Congress of the United States, will, in my opinion, keep faith with those millions of struggling people by approving President Johnson's request for a new pledge of $200 million in special funds for the Asian Development Bank.

Today's Washington Post carried a very sensible editorial concerning this proposal, which I insert at this point in the RECORD:

A CHANCE TO RECOUP

With dismal inconsistency, the Congress this year has gone down the line for whatever is needed in Vietnam while taking every opportunity to scuttle a foreign aid program which is intended, in no small part, to forestall future "Vietnams" in Asia and elsewhere in the world. It is probably too late now to repair the damage done to foreign aid this year. But there is still an opportunity for Congress to restore some degree of elementary logic in its approach to the underdeveloped world. It can do so by giving early and favorable consideration to yesterday's welcome proposal by President Johnson for a $200 million United States contribution to new Special Funds planned for the Asian Development Bank.

The ADB, to begin with, is a sensible institution, established at our urging, but with genuine Asian effort and initiative. Our share of the capital is a modest 20 per cent, the same as Japan's. Management is in Asian hands, where it belongs. The ADB is also a sound institution. Like the venerable and respected World Bank, its standards for projects promise to be high; its insistence on responsible self-help by recipients promises to be strict; its terms for loans from its regular $1 billion capital promise to be business-like.

But also like the World Bank, which has a more lenient-lending offshoot called the International Development Association, the ADB needs money for longer-term loans at lower interest rates to cover the needs of its members for projects such as roads and schools which do not yield a rapid return on investment. These are the needs which the Special Funds are designed to meet and the American contribution of $200 million, to be spread over four years, is a minority share of the total to be raised, as well as a relatively modest sum.

Senator Fulbright has promised early Senate hearings and passage this year is in order on several counts. For one, the ADB reflects not only a praiseworthy Asian initiative but an encouraging trend towards an Asian sense of regional responsibility, measurable in a wide range of mutual "self-help" measures taken recently by various groups of Asian nations in the fields of education, health, transportation, and economic development. Progress in harnessing Southeast Asia's Mekong River basin is a striking example.

The ADB and its Special Funds also mark a useful step towards "multilateralization" of foreign aid, which puts a premium on collective, cooperative undertakings rather than strictly bilateral assistance with all the political complications it entails. Significantly, in his message to Congress yesterday, the President cited the ADB Special Funds as "an example of multilateral assistance that we fervently hope will be followed increasingly in the years ahead in Asia and throughout the developing world."

Finally, as the President also observed: "Lasting peace in Asia requires much more than resistance to armed aggression. Peace will come to stay when despair gives way to hope, when insurrection gives way to peaceful opportunity . . ."

There is little logic in a policy of resisting aggression in one small Asian land at whatever cost while denying what is urgently needed to counter the despair and hunger and poverty which feed the fires of insurrection in nearly all the rest of Asia and in a very significant part of the rest of the world.

DEFENSIVE DRIVING IS A FULL-TIME JOB

Mr. FRIEDEL. 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 Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, you all know of my longstanding interest in traffic safety and my efforts to find ways to reduce the slaughter on our Nation's streets and highways. This interest goes back 12 years when I sponsored a resolution to establish a Special Committee on Traffic Safety.

Just last year, as a result of extensive hearings my committee reported, and the Congress passed, the Motor Vehicle Safety Standards Act of 1966. The hearings underscored what we already knew—mechanical failure contribute to only a small percentage of traffic accidents; it is still the "nut behind the wheel" who is the chief offender.

Much has been said and written about driver attitudes and the need for increased driver education programs. I would like to share with my colleagues an article which appeared in the September Message Register, a newspaper for telephone employees in the State of Maryland. The article, written by Col. Robert J. Lally, the superintendent of the Maryland State Police, is entitled "Defensive Driving is a Full-Time Job".

He emphasizes the need for the "selfish approach" when a driver gets into an automobile, "selfish from the standpoint that each driver sets up an effective defense" against all the hazards of modern driving.

Chief Lally's words are particularly important because of his 30 years' experience in law enforcement, first with the FBI and then as chief of the Baltimore County Police Bureau.

Under unanimous consent I place the text of the article in the RECORD at this point:

DEFENSIVE DRIVING IS A FULL-TIME JOB

(By Col. Robert J. Lally)

In 1899 the first motor vehicle death was recorded when Mr. H. H. Bliss, upon stepping from a trolley car in New York City, turned to assist a woman alighting from the same car and was struck and killed by an electric cab.

Thus, unwittingly, man had unleashed a massive and progressive means of human extermination and destruction of property perhaps second in potential only to the atom bomb.

During its relatively short existence, the automobile has taken the lives of over one and one-half million people. This figure becomes all the more shocking when one considers that all armed conflicts from the Rev-

olutionary War to the present Vietnam action have claimed the lives of 604,000 Americans, certainly a small figure in comparison. Some 49,000 people met death on our highways in 1965, and last year, of the 107,000 people killed in all types of accidents, 44 per cent died as a result of injuries inflicted on our streets and highways.

Besides the human cost of death, suffering and grief, there is yet another cost to society embodied in traffic accident statistics. I refer to the economic cost for which, in 1965, the automobile was assessed a sum of $5.8 billion in wage losses, medical expenses and overhead cost of insurance. Officials of the State of North Carolina have concluded that "the estimable direct loss from traffic accidents every year almost equals the state's annual investment in the public school system for one million students."

DEATH DRIVERS

FBI Director J. Edgar Hoover calls one segment of today's 98 million licensed operators "death drivers." Hoover states that "in terms of the terrible toll he exacts, the death driver—with reason and conscience blinded by intoxicants, lust for speed or utter disdain for traffic laws—can indeed be classed as today's Public Enemy Number One."

But there is still another type of driver who probably poses a far greater threat to public safety with an equally devastating effect. I refer to the average motorist whose intention is not to deliberately violate the law, but because of preoccupation, mild indifference to laws and safe driving practices, or an "it-can't-happen-to-me" attitude risks leaving for an appointment 10 or 15 minutes late, drives while fatigued, or permits some pressing problem to divert his full attention from the immediate task at hand—controlling the automobile.

This individual obviously has not learned about what I consider to be one of the most interesting, sound and clear-cut approaches a person can employ to minimize his chances of being involved in an accident. One might say it is a selfish approach—selfish from the standpoint that each driver sets up an effective defense against various hazards of modern driving—natural, man-made and human error hazards.

I'm sure you all know this approach. It's called "Defensive Driving." It means that you get into your automobile in the right frame of mind, plan your route, and then embark with a determination that you will reach your destination safely.

To accomplish this you must remain alert and compensate for physical conditions and most of all for other drivers who, through ignorance, neglect, arrogance or forgetfulness, fail to comply with the traffic laws. You must be willing to accept the seat belt as a time-tested device in minimizing injuries, and you must accept traffic laws and enforcement efforts as a means of controlling mass behavior on highways.

A FULL-TIME JOB

Defensive Driving is "getting the big picture." This means being alert to what is taking place immediately in front of you, to the left and right, and up ahead at the next intersection. You must anticipate the movement of other vehicles and pedestrians.

Defensive Driving is a full-time job. You can't afford to let your mind wander. To do so could be fatal. I recall a survey made in one city by a company which was puzzled by a rising fleet accident rate. Through the survey the company found that the most energetic salesmen had contributed to a disproportionate share of the company's accident rate. Why? It's not hard to understand. Because of their lust for sales, these go-getters were planning their sales approach while enroute to their next place of business. Their minds were on their customers and not on the road.

We all have a substantial stake in the safe movement of traffic on our highways. To date, Governor Agnew has made considerable progress with the Legislature in bringing our laws in closer conformity to the National Highway Safety Act of 1966. He will continue to submit, among others, proposals for a system of periodic motor vehicle inspection, an implied consent law, and re-examination of drivers 65 years of age and older.

States and local sub-divisions can provide the best calibre of men in law enforcement and place at their disposal the latest in equipment. But in the end, the success of any traffic program—state or nationwide—is dependent upon the attitude of you the driver.

In addition, Mr. Speaker, the C. & P. Telephone Co. is to be commended for its program to encourage safe driving. In this connection, I would like to insert another article from the same newspaper which lists those employees of the company in Maryland who have received safe driving awards:

SAFE DRIVING AWARDS GIVEN

As it is to all Bell System employees, "Safety" is more than just a word to the men and women of the C. & P. Telephone Company of Maryland. It is the objective of the System to motivate employees to take stock of their attitudes toward driving and traffic safety—to help them become defensive drivers.

In recognition of outstanding driving records, the Maryland Company presents employees with Safe Driving Awards, citing their defensive driving skills.

In Baltimore, awards have been presented by Jack Dubarr and Bill Smith to coin box employees James Berry, Frank Davis, Arkley Johnson, Bernie Lewis, Jim Murray, Jim Perry, Ken Roberts, Bob Schnell, Henry Shenton, and Jerome Strube, who has a 30-year safe driving record.

WESTERN MARYLAND WINNERS

William Barnes, Carlyle Dickens, Frank Eberly, Holmes Haller, Don Hamburg, Jack Harshman, Ray Hoffman, Roger Houpt, Frank Jones, Harry Keadle, Dave Martin, David A. Maugans, Don Ridenour, Melvin Ritz, Harry Rogers, Larry Shifflett and Joe Weaver of the Western Maryland Division also received awards for their safe driving skills.

In the Annapolis District, plant manager Robert Mattei presented awards to Claude Guy, Benjamin Swann, John Mattingly and Arthur Goode for their outstanding records.

WOMEN DRIVERS

Seventeen ladies were recognized for their outstanding safe driving records. The records of Helen Bopp, Ruth Hockett and Doris Parsons, commercial; Rosemarie Brandt, comptrollers department; Mary K. Ripple, executive; Mildred Baxter, marketing; Emilia Robbins and Frances Vickers, plant; and Margaret Collison, Mary Doermer, Martha Hedges, Virginia Morton, Adele Rider, Ethel Riess, Thelma Smith, Bernice Staley and Barbara Williams, traffic, represent 150 years of safe driving.

A JOB CORPSMAN WRITES

Mr. FRIEDEL. 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 Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, it has become the popular thing in some quarters to attack the war on poverty and the Office of Economic Opportunity at every turn. The result is often criticism that is both completely undeserved and patently fabricated, presenting a totally distorted picture of the fight against poverty.

Columnist Lou Panos, who writes for the Baltimore Sun recently printed a letter from a young Job Corps graduate that I think deserves the attention of my colleagues. It gives a true picture of what OEO is doing to help Americans not so fortunate as we.

The young man, 19-year-old James Fleming, received training in welding under the Job Corps. He learned a trade, gained motivation and self-confidence, and is now earning more than $3 an hour at his welding job. Under unanimous consent I place his letter, as it appeared in Panos' column, Inside Baltimore, in the RECORD.

The article follows:

A JOB CORPSMAN WRITES

The folks who run the Job Corps and other anti-poverty groups come in for at least their share of raps, including an occasionally bad one.

So it seems only fitting to toss them a bouquet when they obviously rate one, like this.

It's in a letter from 19-year-old James Fleming, formerly of 2401 Dorton court in Westport.

He writes from the Gary Training Center of the corps, in San Marcos, Texas:

". . . I will like to extend my gratitude to all the staff members that helped along in my trade, because I must admit that at first it seemed like an impossible task for me.

"But, however, with your help I finally overcome it and now I'm a welder at Avondale Shipyard in New Orleans, La.

"My starting salary there was $3.02 an hour. So, you see, I'm not doing too bad, and I owe it all to the founder of Job Corps and also the people like you that make it possible for me and other corpsmen.

"Well, I'm enclosing this letter . . . in order that you might put it in the daily newspaper because there're so many of my friends backs home that don't know the real meaning of Job Corps or how it ticks, but if they could see me now I believe that they will also see the many opportunity that lie ahead for them if only they would make the first step up the ladder. . . ."

There's a post-script asking that the cost of publishing the letter be billed to its writer.

No charge, Mr. Fleming.

Due to this tendency to criticize the OEO, many of the excellent antipoverty projects in Baltimore, as in other cities across the Nation, face extinction or an uncertain future.

For the first time in the history of our Nation, we have offered opportunity and hope to the poor. But what we give with one hand, we cannot take away with the other. The moneys expended so far by OEO have barely scratched the surface—Detroit receives only 14 percent of its expressed need, Hartford only 6 percent, New York 10 percent, Atlanta 21 percent, and Baltimore 10 percent.

I am opposed to the violence and lawlessness which have erupted in cities across the land but I am equally opposed to conditions in America which produce the violence, such as joblessness, indecent housing, raw differences between justice, health and convenience for the poor and the rest of America. These are the ingredients of a riot to which I am unalterably opposed.

The program has been successful; of this there is no doubt. Many articles have appeared in the press, as I mentioned before, regarding the imperfections of

the OEO program but very few have appeared to show the good that is being accomplished.

Under unanimous consent I insert in the RECORD at this point an article which appeared on September 14 in the Baltimore Sun indicating the need to continue these very worthwhile projects. My office was directly involved in re-funding efforts for Operation Reason in Baltimore last January and more recently with trying to find the funds to continue Operation Champ for the next 9 months.

The article follows:

FINANCE PLAGUES POVERTY PLANS—SERVICES CENTER IS LATEST TO GO BROKE AS SUCCESS

(By Stephen J. Lynton)

Neither local governments nor the Federal anti-poverty administration has offered a satisfactory means of providing long-term financing for successful anti-poverty pilot projects, Baltimore's anti-poverty director said yesterday.

"It's a chronic problem, and of course it provides all kinds of administrative headaches and morale problems," Parren J. Mitchell, the Community Action Agency director, noted.

Mr. Mitchell made the statement after an announcement Tuesday night that one more experimental anti-poverty project—the Emergency Services Center—would soon run out of money and had no immediate source of renewed financing.

At least three other anti-poverty projects have faced similar financial crises this year—one of them twice. Another project may be in difficulties next summer.

And at least two other projects which help the poor but which are not governed by the city anti-poverty agency have complained of financial dilemmas this year.

Mr. Mitchell has made a number of suggestions of ways to avoid these financial difficulties—including one he made at a meeting last week with Senator Tydings (D., Md.), Mayor McKeldin, Thomas J. D'Alesandro 3d, the City Council president, and a representative of Governor Agnew—to the effect that interested Government officials or private business men form boards to oversee the economics of anti-poverty projects.

TWO-YEAR FINANCING PROPOSED

Mr. Mitchell wrote in June to the Federal Office of Economic Opportunity and to the national Conference of Mayors to recommend that anti-poverty projects be financed on a two-year rather than a one-year basis. "We did not get any response or reaction from the OEO to this," he noted.

Mr. Mitchell also suggested that, in many instances, local government agencies ought to assume the financial burdens for successful anti-poverty projects which fall within their general purview.

The announcement of the financial dilemma confronted by the Emergency Services Center was typical of problems faced by other anti-poverty pilot projects.

SHELTER AND FOOD

The center, which provides emergency shelter and food to destitute families, will run out of money November 30.

The State Welfare Department is expected to include the center in its budget for the year beginning July 1, 1968. But no money is now available to operate the program from December 1 to next June 30.

Similarly, Government officials are now seeking funds to operate the Operation Champ recreation program during the winter months. A meeting on the question with Governor Agnew has been called for 1:45 P.M. today. Operation Champ was in similar financial distress last spring.

OPERATION REASON RALLIED

Operation Reason, a program of services to the elderly, battled last spring to gain a renewal of its budget. Its clients—some in wheel chairs and on crutches—conducted a rally in Baltimore and a demonstration in Washington.

The Small Business Development Center, which provides low-interest long-term loans to low-income entrepreneurs, carried on long negotiations last spring with the OEO, which finally made a national exception of the program and renewed its budget.

The Street Club Workers Project, a recreation program, may face an emergency when its funds end next July 1. The city anti-poverty commission is studying the problem. Mr. Mitchell suggests that the city Bureau of Recreation may adopt the project.

HOMES FOR ADOLESCENT GIRLS

The Group Homes for Adolescent Girls—a program for maladjusted girls which is not specifically an anti-poverty project—ran out of funds this summer. It was permitted to continue after June 30 on a much-reduced budget provided by the State Department of Mental Hygiene and the Welfare Department.

The city's bail bond project, which is now operated by Volunteers in Service to America, has similarly been searching for a new source of funds. VISTA wants to stop operating the project. The city anti-poverty agency would like to adopt it under separate OEO funds.

A TRIBUTE TO TWO LEADERS

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

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

There was no objection.

Mr. SIKES. Mr. Speaker, Frank Boykin has been away from our midst for a number of years. However, the memory of Frank Boykin lives strong in the minds and hearts of those who were privileged to serve with him. He was a great Congressman, who ably represented Alabama and the Nation. He and his sweet and lovely wife, Ocllo, are indeed among the very finest of people. Frank is a big man physically and a big man mentally, but his heart is the biggest thing about him. Recently he sent to me an article about Ed Ball, outstanding Florida industrialist, and Frank's good friend of many years. It was Frank's thought that this article, which reveals an important side of Ed Ball, should be printed in the CONGRESSIONAL RECORD. Ed Ball's achievements are indeed monumental and these things should be better known. It occurs to me that Frank Boykin's letter, which is so typical of the man, would also make fascinating reading. Accordingly, I submit both:

TENSAW LAND & TIMBER CO., INC.,
Mobile, Ala., September 22, 1967.

Hon. BOB SIKES,
The Sam Rayburn Building,
Washington, D.C.

MY DEAR BOB: Referring to our conversation over the telephone Wednesday about our beloved friend, Ed Ball, I think this is a great article, but not good enough, and as I suggested to you, I think it should go in the Congressional Record, so a lot of people could know about what this great American has done, for the things he has done have helped and are helping all mankind.

So many people are always asking me to ask Ed Ball to give something for some cause. I have never asked him yet, and never intend to, because I know what he has to go through down there, and a man has to give at home, like you do down in Crestview and I do here. I was with Ed Ball in Jacksonville several years ago when somebody was asking him for some money, and he gave them one hundred thousand dollars for a school in Tallahassee. I remember what Ed said. He said: "If you publicize this or tell anybody that I made a donation to this school, I will countermand the order."

Anyway, when an article came out that your friend and my friend was giving away ten thousand dollars a day, it just thrilled me and thrilled me, and I wanted everybody to know about it, especially the people in Washington, and I am going to ask you to put this article in the Congressional Record, so it will go to every library in America. Then I want copies to send them to two of Ed Ball's secretaries, who have been with him a lifetime and they are wonderful women. They, like Ed, just work day and night. They are always on the job and so loyal to him. Of course, in my book loyalty is one of the greatest things on earth.

Ed and I are about the same age. I think I am two years older than Ed—and how good the Lord has been to us! Just to think of it—we can still shoot and shoot good and both of us shoot without glasses. I must tell you of an instance that happened last year. Ed and I were sitting in a blind up at McIntosh, Alabama, on the Tombigbee River. We were waiting for the turkeys to come up. We had Bee Watson with us. Bee Watson, as you know, has been with us always, and on the 10th of July he had been there with us 58 years taking care of the hunting lodge and taking care of the wonderful hounds that we have there. At one time we had 94 hounds. Also, he looks after the game every day. We grow feed for our game every day of the year. Of course, we feed them more in the wintertime when the frost has killed the natural food than we do at other times.

Well, Ed and I were sitting there waiting, and I thought we had waited long enough; so I said: "Ed, let's go. If the game won't come to us, we will try to go to them." He said: "No, let's give them fifteen more minutes, and we did. In about five minutes here they came. I think there were about fifty gobblers in the drove, and the deer were already there right in front of us, but we weren't shooting deer; we wanted the gobblers—not little ones either, but the big ones, like you always kill. Well, Ed whispered to me and said: "Frank, you take the left and I'll take the right; count three and then we will shoot." Well, we waited until they got within about 40 or 50 yards of us, and one of us counted three and down they went. Then, as they flew over, Ed Ball shot another one, but at that first shot he killed a deer and a turkey, too. I killed one gobbler. Our two turkeys weighed over 20 pounds each. So, Bee said when he heard us shooting and came down to pick us up—"Captain Frank, Mr. Ed has done killed more turkeys than he can tote." Well, he did; he had a buck and two gobblers, and I had one gobbler that was a beauty. I never saw such a beard in my life. Well, of course, we were very, very happy.

I'll tell you—when Ed Ball went down with his brother-in-law, Alfred I. duPont, who married Ed's marvelous, beautiful sister, Jessie Ball duPont, it was a great thing for Florida. Ed made the State double and triple its progress and it is still going that way. He took railroads that were broke and made them blossom like a rose and pay the first dividend they have paid since you and I can remember. He has two railroads; he has all sorts of buildings and investments, hotels and motels; he has one million acres of the finest land in Florida, including all kinds of land, with waterfrontage in every county of the great State of Florida. He has the finest

papermill business in the world, that reaches from one end of this nation to the other, then clear on over to Ireland, where he and a few more of us own a very beautiful castle together.

Well, everybody that knows Ed Ball like you and I do appreciates him, and more of them will know him after this. People have been told that Ed Ball wouldn't give anybody the sweat off of his brow, but this article tells the true story. I know of no other man on earth who gives away ten thousand dollars every day. I don't know who wrote this article, but it is wonderful and it will mean much to our friends, and I think the people should know, who did not know before, what Ed Ball has done and is doing for wonderful people in many, many places all over this land. He not only helps people in Florida, but he helps people just everywhere he goes.

Just think—he has 34 banks and has had to fight his Government and the labor unions, too. He is about the only man on earth, I think, that could do it. I think it would take the Good Lord Himself to do what our beloved friend, Ed Ball, has done and is doing. Aren't we proud of him, and won't we celebrate this fall when we meet at the hunting lodge at McIntosh, where "Everything is made for love", and where we will all get together and get the big bucks.

Ed Ball is a man who works while so many other men play. Ed Ball is a man who can laugh at problems which would make so many other men cry. Everybody thinks he is hard-boiled. He has to make out like he is to keep people from taking everything on earth he has, but Ed Ball has a heart of gold and silver, too. I have visited the Ball home in Virginia. It is a wonderful old heavenly place—almost within sight of the great home of Mary Ball, the mother of our own George Washington. The Balls lived only a short distance from the home of the Washingtons.

Ed Ball, in my judgment, has fought for what is right. He has fought for what is right just like George Washington, Abraham Lincoln, Stonewall Jackson and our own Robert E. Lee. He has dedicated his very life to the development of his State—and not only to the great development of the State of Florida, but all over this nation—even in his beloved Ireland, where he has a great development that means much to those people there. I mentioned that he and a few more of us have a very beautiful old castle in Ireland. There has been a castle on this spot for a thousand years, and Ed Ball has built himself a little cottage off to one side. He hasn't had time to spend more than a dozen days at this wonderful spot that he made blossom like a rose. My wife, our daughter, Frances, our son, Jack, and my cousin, Charlotte Boykin Carlson, and I flew over to Ireland and spent the day at the castle. What a wonderful, peaceful day it was, and they say it has the finest fishing in the world. If we could get Ed to take just a little rest, I believe it would make him live years longer, and he could stay here on earth where he is really and truly in partnerships with the Good Lord in doing things that make people happy—men, women and little children.

Mrs. Jessie Ball duPont, who is a saint, lives in Wilmington, Delaware, where she has a tremendous home that she has turned over to crippled children. The last time I talked to Ed about this, she had nearly two thousand crippled children there. She gives all of her wonderful time to this. She, like her famous brother, has a brilliant brain and a world of energy, and she gives all to these crippled children. Think of what a great thing it is to help crippled children.

There is hardly anything worthwhile that Ed Ball has not done. He has not only developed wonderful farms, but shipyards, sawmills, dry kilns, planing mills, and papermills. Of course, the papermill is such a wonderful thing, and they just take care of the timber that we used to throw away in the old days, where we only saved the first cut off the log. We got what we called the "butt-log" and let the rest go to waste. Now they are taking all of the log. They take off the first cut for logs that they saw into lumber, or for piling, then what is left for paper. They even use the limbs, and if they don't watch out, Ed Ball will find a way to use the straw on these beautiful pines. He has hotels—some of the finest in the country. I believe he sold the Edgewater Gulf Hotel at Gulfport and Biloxi, Mississippi. What a wonderful place it was. It was in bad shape, but he got it going right, and then turned it over to somebody else. Then, he had another hotel, where I have stayed many times, at Gulfport. Also, golf courses and motels. But think of it—34 banks—and these banks are in places where they could help the farmers, the sawmill people and just everybody.

Nobody will ever know how much he has helped the citrus industry in Florida, and he loves it. He loves anything that produces and will help the people in this weary old world, and I know of nothing that he is not in. Here in Alabama he has one of the finest box factories in the country. He has them in Dallas, Texas; he has them in Kansas; he has them in many, many states—I think, in practically every state in the union; from the capital of Florida to Dublin, Ireland, Ed Ball has a complex of papermills and box mills.

He has a beautiful cattle business. One of his offices is out in the country; out from Tallahassee, where he has hundreds and hundreds of the most beautiful cattle I have ever seen in my life; and he has good men helping him. On what he calls his farm there he has eighteen lakes—not man-made lakes—the Lord made these; and I believe he has more wild geese there than any other place on earth. He has been protecting the geese there—fencing the place to prevent the people from killing them—and feeding them for about 25 years. After the geese found that they were protected there, they must have brought all of their kinfolks. I think they had something like 25,000 there last year. He has never allowed a human to kill one of his geese, and when the crippled ones make it in there and drop down in his lake, he has his people to pick them up and take care of them until they get well. Many of the geese like it so well that they don't return to the cold climates, but just stay down in wonderful Florida with Ed Ball and his people.

Again I would like to say that my beloved friend and associate, Ed Ball, does *more good things well* than any human being I have ever known or expect to know until we all go to Heaven. Maybe there will be another Ed Ball Up There, but not here on earth. I wish we had a thousand of them, for this would be a better old world.

During the panic I was visiting in Florida, where we had some land, and I talked to a banker. This man told me that during the terrible panic—"We couldn't have made it without Mr. Ball's bank; he just helped us through; he made us give him good security, but he carried us along until the bad times blew over; now we have paid him all up and all of us are doing business with his banks that have done so much for everybody.

The Good Lord has been good to the people in giving us Mrs. Jessie Ball duPont and her famous, fabulous brother, Edward Ball of Virginia, but now of Florida, and all of our beloved Southland and nearly every other part of this great nation. I wish the Lord could give us a few more Ed Balls and Mrs. Jessie Ball duPonts. The world would be a much better place than it is.

Anyway, our great Ed Ball has done as much on earth as any man I know, and you, he and I and all of our friends here will stay here just as long as the Lord wants us to, and then we will just all go to Heaven, where they really and truly have the great Happy Hunting Grounds.

Give Inez our best love, and we are looking forward to seeing you both at a very early date. May God bless you and Inez and all of your loved ones and give you strength to carry on the great work you are doing there in the nation's capital, and with love from all the Boykins to you and yours, I am

Devotedly, your old colleague and friend,

FRANK W. BOYKIN.

"PHILANTHROPIST" ED BALL DONATES CHARITY $3 MILLION

JACKSONVILLE.—Edward Ball, probably Florida's biggest financier and sometimes called the toughest with a dollar, may also be the State's No. 1 philanthropist.

A new report of the Alfred I. duPont estate, under Ball's strong guiding hand, reveals gifts to charities in Florida last year totalled $3,720,167.

Ball withheld details of the gifts to 559 different Florida-based charities, not even the amount to the Nemours Foundation, by far the biggest.

But he said the total was the largest of any year since duPont, his brother-in-law, died in 1935 and set up in his will a testamentary trust to operate the timberlands, paper mills, banks and railroads in the estate.

Ball Thursday won permission from the Brevard County Commission to fill in a $1 million strip of Indian River bottom land two miles long, 750 feet wide on both sides of the main entrance to the Kennedy Space Center.

Ball owns, in the name of the duPont Florida National Bank in Jacksonville, about 1,500 acres in the area.

Since its initial charitable contributions in 1936, the estate and its principal annuitant, Jessie Ball duPont, have contributed $34.4 million to Florida-based charities and $55 million to all charities.

DuPont provided that a large share of the profits from the estate be used to set up and operate the Nemours Foundation to aid crippled children.

Aside from this requirement, there is no pet and all-inclusive charity.

BALL BUYS PIANOS, AIDS COLLEGES

Ball may buy a piano for a church, establish a medical school grant, support a church festival or supply money to fight a disease, probably cancer. The estate's 1966 contributions in Florida went to 49 churches, 16 hospitals, 16 colleges and universities and 26 medical research projects.

DuPont's widow, Ball's sister, has emphasized education in her gifts.

"We have no set formula," Ball said. "We base it on what we can give away out of what we get and still operate. The amount is not based on the value of the estate but on the income of the corporations in the estate and the principal stockholders."

While giving away millions, Ball has shrewdly built the estate from a value of $27 million in 1936 to a book value of more than $100 million and market value estimated between $700 million and $1 billion.

Another reason for increases in the charitable contributions is that more than half the people duPont willed lifetime annuities have since died.

Upon the death of Mrs. duPont, now 83, about 99 per cent of the estate's income will go to charities. It will be 100 per cent when all annuitants are dead.

FOUNDATION GETS LION'S SHARE

Most of the money is earmarked for the Nemours Foundation, charted in Florida but principally operating the Alfred I. duPont Institute at Wilmington, Del.

The institute, with a highly rated medical staff, has cured or helped more than 20,000 crippled children since it opened in 1940. DuPont restricted the benefits to omit incurables.

"The treatment is free to every patient, the children of millionaires or the poor," Ball said.

Other Nemours Foundation funds help

crippled children near their homes in 16 other states.

With this program and advances in the field of health, there no longer is a waiting list at the Delaware hospital.

Now the foundation is moving into the field of helping old people—as duPont specified it should. Judging from the past pattern, a rapid advance is likely in this field.

McNAMARA ON WAY OUT?

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an article.

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

There was no objection.

Mr. HALL. Mr. Speaker, the only regret I have concerning the article by Holmes Alexander carried in the September 26 issue of the Joplin, Mo., Globe, and which, under unanimous consent, I insert at this point in the RECORD, is that it ends with a question mark instead of an exclamation point:

McNAMARA ON WAY OUT?

(By Holmes Alexander)

WASHINGTON.—Speak well of the dead. So far as his position as Secretary of Defense goes, Bob McNamara is finished. May he live long and prosper in some private capacity, or even in another public post. The body is quick, but the spirit he brought to the Pentagon in the bright, cold dawn of the New Frontier has taken flight—whipped out of authority, out of dignity, out of plausibility even.

The sooner President Johnson makes the departure official, the better for the common weal.

Shall we list the successors? The de facto Defense Secretary is Senator John Stennis, chairman of the Preparedness Subcommittee. Slow of anger and loath to strike, Stennis has reluctantly but dutifully built the case that leaves McNamara a war-minister in name only.

Revealed by Stennis staff-studies a few years ago was the ammunition shortage in Vietnam—denied and covered up by McNamara. Revealed just recently, again via Stennis, is the military pilot shortage—neglected and belittled by McNamara.

BOMBING POLICY

Then there's the policy of too-selective bombing in North Vietnam, defended by McNamara, but revised by the White House after hearings conducted by Stennis.

The senator from Mississippi, in effect, has taken over, not because he desires to do so, and much less desires to destroy a Cabinet officer, but because necessity has ordained it. Stennis, not McNamara, is the heeded presidential advisor on military affairs, and that is the job-description of the Defense secretaryship.

What other successors? Not so much Stennis, but the military assembly of Capitol Hill, has displaced McNamara as a decision-maker in the momentous question of erecting an anti-missile system. It is to be done, as we know now, at enormous but unavoidable expense, despite McNamara.

For lack of a proper noun, "military assembly" will have to make-do as a designation of powerful factors within the Senate and House Armed Services committees, the Joint Atomic Energy Committee. Allied to these committeemen are a host of concerned civilians from the academic and industrial sectors, plus many military writers, plus a strong stir of public opinion. It is this assembly that has taken the anti-missile decision away from McNamara, rendering him a superfluous person.

MILITARY ASSEMBLY

Derogatory criticism will continue to fall upon what I have called the military assembly. You will read that "committee rule" isn't the way to run a country at war. You will see and hear scathing denunciation of the "industrial-military complex." Already there have been personality assaults upon anti-McNamara congressmen.

But all these strictures and smears are off the mark. This country is a republic, with separation of political powers, and Capitol Hill committees should never permit an administration to go it alone, and go it wrong. This country is capitalistic and only private industry can arm us. This country is democratic, and its elected officials, emplaced by popular mandate, should not kowtow to appointive individuals.

Another successor? He is Senator John McClellan, chairman of Government Operations, the best all-around investigator we've got. McClellan is gradually wresting from McNamara the long-fought decision over the TFX aircraft. No Defense Secretary can survive proved failure and scandal in a matter of such magnitude. It now appears that McClellan will get the last word, completing the de-creditation of the boss of the Pentagon.

Of the departed—in this instance, the departing—speak only good. McNamara often had the right idea, but the placing and the timing have been off. Stern economy, civilian leadership over the military, limitation of bombing, nuclear offensive weapons as the best defense, an all-service aircraft—you can't fault any of these ideas.

But, alas, McNamara has mishandled them all. When will the President make the departure official? The mind of LBJ is beyond prediction. In every sense that counts, McNamara has already been removed, his decisions reversed, his place filled. Congress has beaten the President to the punch.

THE CENSUS: COMPULSORY VERSUS VOLUNTARY APPROACHES

Mr. BETTS. 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 Ohio?

There was no objection.

Mr. BETTS. Mr. Speaker, the 1970 decennial census of population and housing is now in its planning stages. The chairman of the Subcommittee on Census and Statistics of the Post Office and Civil Service Committee, Congressman GREEN of Pennsylvania, has indicated this subcommittee will meet later this year to examine the proposed questions to be asked the American people on that census. In anticipation of this review of the census questionnaires, justification for including many subjects and the mandatory nature of this inquiry, I have investigated many facets of data gathering operations of the Bureau of the Census.

As I see it, there are four principal areas of concern which confront the Congress as the 1970 census approaches. First is the concept and use of mandatory features of this census; second deals with nonessential questions included in recent censuses and proposed for continued use; third relates to the rights of privacy infringed upon by this extensive public interrogation by the census; and fourth is the matter of competition with private market research firms or nonprofit institutions in the conduct of many census projects.

For the purposes of this discussion, let me initially consider the matter of compulsion which is sometimes said to be the vital and prime source of providing complete and accurate decennial census statistics. The latter three areas of concern which I mentioned will be presented in succeeding reports.

Section 221, title 13, United States Code, provides penalties—$100 fine and up to 60 days in jail—for noncompliance with various censuses—including the decennial Census of Population and Housing—conducted by the Bureau of the Census. An examination of the theory behind this mandatory provision, the number of violators prosecuted in recent years, and the deterrent affect it is contended to have on compliance, would be useful at this point.

Statements and correspondence I have received from Dr. A. Ross Eckler, Director of the Bureau of the Census indicate that in his opinion the penalty provision and official nature of the census forms lend significantly to maximum compliance by the general public. The mandatory provision prompts greater cooperation with enumerators and would similarly result in better response when the mail-out/mail-back method of conducting future censuses is employed, Dr. Eckler contends. The mandatory rule also is said to discourage organized local opposition to the census.

In order to receive an overall view of this provision, I asked the Attorney General and Director of the Census their policy toward enforcement of this penalty section:

What has been the policy or attitude of the Department of Justice (Bureau of the Census) toward the enforceability of this statute and what steps have been taken to provide procedures for the Bureau of the Census and its enumerators to apprehend violators? How many incidents or cases of violations of Section 221 were reported to the Department of Justice in conjunction with the 1960 census and how many individuals were actually prosecuted under this provision?

Fred M. Vinson, Jr., Assistant Attorney General advised me on September 8, 1967, that:

Whenever the Department of Commerce feels that the facts surrounding a refusal to furnish desired census information justify prosecution, the file in each case will be forwarded by the department to the appropriate United States Attorney. In all instances of refusal to answer Census questionnaires affecting companies, businesses and other organizations, the United States Attorney should make certain that efforts have been made to persuade the delinquent to comply with the Census Bureau's report. Prosecution should be instituted under 13 U.S.C. 224 if the delinquent persists in refusual to supply the required census data.

The Justice Department has no record of how many prosecutions were requested in conjunction with the 1960 census, but at least two convictions were reported, Mr. Vinson indicated.

It appears from the response I received from Acting Director, Bureau of the Census, Robert F. Drury, that no figures are available on the number of persons refusing to give information to an enumerator, or the number of cases involved

in informal counseling with local U.S. attorneys. I can only conclude that the need to pursue the enforcement provision is minimal, reflecting well on the attitude of the American public on filling out census questionnaires. This is not to say the American people like these requests but nevertheless they patriotically have complied with them.

The Bureau of the Census has focused its fears frequently on the "vulnerability of the decennial census to organized local groups" who would thwart its completeness and/or accuracy. Dr. Eckler on August 2 wrote me:

A major concern with your proposal (H.R. 10952) for eliminating the mandatory reporting requirement for certain of the questions asked in the decennial census lies in possibility that organized local or national campaigns urging citizens not to answer particular census questions, which certainly are in prospect if the law is so changed, undoubtedly would make part of the census results unusable.

Shortly thereafter, I asked Dr. Eckler to document the basis upon which he made that assertion:

You referred to the vulnerability of the decennial census to local efforts to discourage public cooperation and that the penalty provision for compliance was vital to maintain a high level of participation. *Would you give me whatever experience you have had with efforts to thwart full participation with the Bureau in decennial censuses?* How extensive have these revolts been and what effect have they had on a local or regional collection of statistics? (Emphasis added.)

Dr. Eckler's reply of August 9 gave not one instance where any groups of citizens had organized on a local or national level or been in collusion to sabotage a decennial census or a portion thereof. In his letter Dr. Eckler referred to scattered resistance by businesses to form requirements and one instance of city government officials opposing a certain questionnaire, but completely failed to show that his charge of organized local efforts working against a census has any validity.

Mr. Speaker, I believe this contention, that people will not cooperate if a portion of the decennial census is voluntary is a smokescreen for complete unwillingness to allow the principle of volunteerism in the gathering of data by the Federal Government. I asked Dr. Eckler to test this principle, to conduct a pilot project to determine the variance in response between a survey where the respondents believe or are told their participation is required under penalty of law from a survey where compliance is clearly stated as being voluntary. I suggested that perhaps such a test case could be conducted in one of your periodic mail surveys which would not require a great deal of additional effort or expense. The answer I received was less than enthusiastic. Dr. Eckler wrote:

To carry out a pilot project of the type you suggest in your letter of July 19 poses some operational problems which are not readily dealt with.

Even if testing the principle of volunteerism with a special pilot project is ruled out by Dr. Eckler, the Bureau of the Census already admits that wholly satisfactory results are possible with this approach.

Let us look at results from sample surveys and quote the Bureau of the Census:

In addition to the decennial censuses, the Census Bureau regularly conducts many household surveys, covering a variety of subjects. Among the most important is the Current Population Survey, which has been conducted monthly for over 20 years and serves as the source of the official government statistics on total employment and unemployment. A sample of approximately 52,000 households throughout the Nation is visited each month in connection with the survey, and the results are published by the U.S. Department of Labor. Households are selected for the survey by address only, using scientific sampling methods. Each household is visited once a month for four consecutive months one year, and again for the same time period a year later. This technique permits us to obtain the needed information while minimizing the inconvenience to any one household.

Participation in the Current Population Survey is voluntary. However, we have had cooperation over the years from the vast majority of the people contacted. Fewer than 2 percent, on the average, refuse to participate in the survey. In some other surveys the refusal rates have been higher, depending in part on the nature of the survey.

Now these results may not bear on a 100-percent census, but I believe they would prove feasible for a 20-percent, 15-percent, or a 5-percent sampling undertaken to secure data in a decennial census. In almost every communication I have received from the Census Bureau, officials praise "the demonstrated cooperation by the American public."

The American people, if I am any judge of their character, are more than willing to cooperate with the Federal Government to provide the basic, essential information to meet constitutional requirements on population and other facts about themselves. There is little disagreement that questions seeking this information should, if necessary, carry penalties for noncompliance. Our citizens do object, however, to harassment, invasion of privacy or questioning which has no public purpose. That is why I wish to limit the number of mandatory questions and require a separate, voluntary form for any extraneous inquiries the Census Bureau wishes to pose. I believe this plan would work.

In reviewing the Census Bureau's reasons and justifications for mandatory provisions covering any and all questions they care to ask, I find their rationale faulty both in theory and practice. To provide documentation to this position, in addition to the logic the facts themselves reveal, let me turn to two other major statistic gathering sources in the United States. I refer to the 50 State governments and the large number of private market research firms in this country.

STATE CENSUSES VOLUNTARY

Many State agencies conduct censuses and surveys to obtain vital information for the operations of State government. In order to learn the extent of such State statistic gathering activities, the U.S. Bureau of the Census itself in 1965 submitted a questionnaire to numerous agencies in each State to determine the scope and type of work they have undertaken. The principal emphasis of this census questionnaire was on population and housing information of the same type that appears on the decennial Federal census. Here is a summary of the reports the Bureau of the Census received:

In all but one State, North Dakota, some State agency reported making population estimates for counties or other local areas. In a number of instances, census counts rather than estimates are available. Thus, the State of Kansas takes a State census every year as of March 1. Massachusetts takes one in years ending in 5; the results of the last one, taken as of January 1, 1965, have recently become available. The Washington State Census Board counts the population in selected places and supplements these counts with estimates of the population of other cities and towns. In all other instances, the data reported here represent population estimates derived by various methods.

As in earlier surveys, the State departments of health lead other types of Statewide agencies in the preparation of local population estimates. Out of a total of 66 different State agencies making such estimates, 27 were departments of health. This is approximately the same number of State departments of health reported as preparing estimates in our earlier surveys. State universities are the second most important source of such estimates; 21 such agencies reported making population estimates. Ten of these were Bureaus of Business Research at State universities and the remainder were represented by Departments of Sociology and newly established Population Study Centers. Other types of agencies preparing estimates were: economic development commissions (6), employment security commissions (4), State planning commissions (3), and other agencies. These agencies include the State Census Boards in Oregon and Washington. In the State of California, population estimation is the responsibility of the Population Research Unit in the Department of Finance. In Utah, an interagency committee has the responsibility for such estimates.

Table A below summarizes the sources of population estimates by type of agency preparing such estimates. The results from the earlier surveys are also shown for comparative purposes. In general, the changes reported over time are true representations of shifts in responsibility of preparing such estimates. It is quite possible, however, that the increase in the total number of agencies reporting work in this area since 1960 reflects the more extensive coverage of the 1965 survey.

TABLE A.—STATE AGENCIES[1] MAKING POPULATION ESTIMATES FOR LOCAL AREAS, PERIODIC SURVEYS, 1955-65

Agency	1965	1960	1957-58	1955
Total	66	57	62	46
Department of health	27	27	30	31
State university	21	16	19	9
Bureau of business research	10	10	15	7
Other department	11	6	4	2
Planning commission or economic development agency	9	5	3	1
Employment security office	4	2	4	
Other	[1] 5	7	6	3

[1] Includes California State Department of Finance, Kansas State Board of Agriculture, Utah Population Committee, Washington State Census Board, and the Office of the Secretary of the Commonwealth of Massachusetts (census every 10 years).

This is an impressive report of what our States are doing themselves in the field of data gathering. However, it was not revealed in this Census Bureau report whether such State agencies have been given mandatory powers to secure such data from citizens and businesses. So, I wrote to the attorneys general of the 50 States to ask that question. The

replies are significant. I received 45 responses and only in Massachusetts and Missouri did the attorney general indicate statutes existed requiring public compliance with agencies seeking general population and housing information. My two questions to the attorneys general and their responses are presented in the following table:

SURVEY OF STATE STATUTES AFFECTING CITIZEN COMPLIANCE WITH INFORMATION-GATHERING AGENCIES

State	Question 1—Is there a statute in your State which requires compliance (under penalty of fine or imprisonment) on the part of individual citizens or businesses to provide information sought through surveys and censuses by State information-gathering agencies?			Question 2—Does your State have any statutes restricting the information-gathering or investigatory authority of State agencies (other than police) which might be considered as recognizing certain personal or corporate rights of privacy?		
	Yes	No	Statute	Yes	No	Statute
Alabama		X			X	
Alaska		X			X	
Arizona		X			X	
Arkansas		X			X	
California		X			X	
Colorado	X		School census, board of education		X	
Connecticut		X			X	
Delaware		X			X	
Florida		X			X	
Georgia	X		School census only		X	
Hawaii		X			X	
Idaho		X			X	
Illinois	X		Agriculture statistics		X	
Indiana		X			X	
Iowa [1]						
Kansas		X			X	
Kentucky		X			X	
Louisiana		X			X	
Maine		X			X	
Maryland		X			X	
Massachusetts	X		Population		X	
Michigan		X			X	
Minnesota [1]						
Mississippi		X			X	
Missouri	X		Population		X	
Montana		X			X	
Nebraska [1]						
Nevada		X			X	
New Hampshire		X			X	
New Jersey		X		X		May not ask creed, religion, or politics.
New Mexico		X			X	
New York	X		School census, board of education	X		Civil rights law, protecting personal confidence and privacy.
North Carolina	X		do		X	
North Dakota		X			X	
Ohio	X		Military census		X	
Oklahoma	X		Title 2 (sec. 35); title 2 (sec. 11-8)		X	
Oregon		X			X	
Pennsylvania		X			X	
Rhode Island	X		Labor and education census		X	
South Carolina		X			X	
South Dakota	X		Venereal disease census		X	
Tennessee		X			X	
Texas	X		School census		X	
Utah [1]		X				
Vermont		X			X	
Virginia		X			X	
Washington		X			X	
West Virginia		X		X		Individual agency controls.
Wisconsin		X			X	
Wyoming		X			X	

[1] No response.

Mr. Speaker, except for two States and a few others requiring data on school-age children, our State governments can operate extensive statistical gathering programs without the "benefit" of mandatory compliance. This speaks well for our States and reflects clearly against the U.S. Bureau of the Census arguments that it cannot assure census accuracy without threats of prison or a fine to the respondent for noncompliance. The States do have similar "officiality" that is deemed important and succeed with public cooperation, not fear of punishment. There are several hundred companies operating with neither the force of law nor color of officiality. They must rely solely on public good will to succeed. Let us look at their views on the question of compliance.

PRIVATE RESEARCH FIRMS SUCCEED WITH VOLUNTARY SURVEYS

Required to conduct their total operations without Government prestige or compulsion, market research firms should be in a good position to evaluate the necessity and desirability of forced participation in the census. I wrote to nearly 200 firms across the country to learn their thinking on the subject. This question was presented to the president of each company:

In the surveys and polls you undertake, both through interviews and by mail, do you receive a high response yielding meaningful results based on the willingness of respondents to cooperate? I wish to contrast your dependence on voluntary response with mandatory compliance utilized in many Census Bureau surveys.

The responses I have received, now numbering more than 100, are most useful and enlightening.

The overwhelming answer to my question was to affirm the principle of volunteerism as a desirable and effective method of surveying, in some cases it is considered more accurate than results of mandatory questioning. A few company presidents accepted the present status of the law but by a 5-to-1 ratio the expression of preference for the voluntary approach was endorsed. Several different reasons were given for this viewpoint. I would like to provide actual statements quoted verbatim from the letters I received to describe the thinking of private market research organizations toward voluntary data gathering.

The overall conclusion by these specialists in market research and statistics was that total reliance on public cooperation for the accuracy and success of their canvassing provides no disadvantage and is no impediment to successful operations. I think the following excerpts from letters will illustrate this point:

HUNTINGTON WOODS, MICH.,
August 15, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We have virtually no trouble with respondent cooperation in undertaking the many studies with which we are involved every year.

MILTON I. BRAND,
President, Brand, Gruber & Co.

NEW YORK, N.Y.,
August 31, 1967.

Hon. JACKSON E. BETTS,
Congress of the United States, House of Representatives, Washington, D.C.:

With respect to our own work, as you correctly point out, there is no obligation for anyone to respond to any questions asked by us, nor do we seldom offer payment or other incentive to do so. Nevertheless, we find a high level of cooperation among both business organizations and private individuals. As you may know, most of our studies

contain some kinds of information that might well be considered difficult to obtain—income or sales volume, for example. Although the rate of refusal on these questions may be slightly higher than on less confidential data, it is rarely in excess of 8 percent of those interviewed.

ARTHUR B. DOUGALL,
Chairman of the Board, Stewart, Dougall & Associates.

PRINCETON, N.J.,
August 29, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We do not feel that the questions that you have raised regarding confidentiality or respondent's freedom to refuse an interview are important differences between Census work and the work of our own organization. We feel that given the type of studies that we do, these are not important limitations to our work.

JOSEPH C. BEVIS,
Chairman of the Board, Opinion Research Corp.

NEW ORLEANS, LA.,
August 22, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In reply to your request for direct comment on two specific subjects, I have found the willingness to cooperate almost universal. We obtain no more than an average of 1% (in some rare exceptions no higher than 2%) of the persons we interview uncooperative. We have never considered refusal to cooperate a factor of significant degree in any of the surveys we have conducted.

IRVING A. FOSBERG, Ph. D.,
President, The Psychological Service Center of New Orleans, Inc.

SOUTH WINDHAM, MAINE,
September 6, 1967.

Mr. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We depend entirely on voluntary response, and would have it no other way.

Mrs. RUTH W. MALONEY,
Northeast Market Research.

CINCINNATI, OHIO,
September 5, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

I certainly do not understand why mandatory response under law is necessary for Census Bureau surveys. It has been our experience that we may expect a 95% voluntary cooperation whether our interviews are made over the telephone or person-to-person.

JAMES C. MOLER,
Executive Vice President, Burgoyne Index, Inc.

CHICAGO, ILL.,
September 14, 1967.

Mr. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

No, we do not suffer from not having this "advantage." (mandatory compliance) In fact, our rate of refusal for personal contacts with the public is so very low that we do not consider it a handicap of any significance. If we were retained to conduct an investigation or a census of the population for the United States Government, we could simply state that the information was required by law, and I am certain that we would get just as much cooperation (and maybe more) than numerators hired directly by the Department of Commerce.

ROBERT E. ELRICK,
Chairman, Elrick & Lavidge, Inc.

DALLAS, TEX.,
August 14, 1967.

Mr. BETTS,
Washington, D.C.:

In twenty-six years of research work, we have never found that our clients suffer from our inability to employ the Government's powers to demand answers.

JOE BELDEN,
President, Belden Associates.

DALLAS, TEX.,
August 15, 1967.

Mr. JACKSON E. BETTS,
8th District, Ohio, House of Representatives,
Washington, D.C.:

In answer to your letter of August 9th, we of course receive high response and meaningful results from the surveys we make on a voluntary basis. If we didn't we would be out of business.

CECIL B. PHILLIPS,
President, MARC, Inc.

SAN FRANCISCO, CALIF.,
August 16, 1967.

Hon. JACKSON E. BETTS,
Congress of the United States,
Washington, D.C.:

I have been in the marketing research business for over eleven years and, contrary to some opinions, I have found that the general public welcomes the opportunity to answer questions and express opinions *if* approached with courtesy and dignity.

CLIFFORD V. LEVY,
President, Far West Surveys.

WEST HARTFORD, CONN.,
August 16, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In our experience, we have found that there is a high degree of cooperation on the part of respondents; providing, of course, that they have the time and the ability to answer questions. Our work covers a broad area of subject matter but even in the case of very personal questions, we find respondents cooperative. The refusal rate is less than one half of one percent. It should be pointed out, however, that we are careful to tell the respondent all we can about the purpose of the study, the need for their opinion and the fact that their name will not be used in any way. Our opening remarks always include that "we are not selling anything."

A. C. BOURGET,
President, The Marketing Service Co., Inc.

MINNEAPOLIS, MINN.,
August 22, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We certainly do receive a high response yielding meaningful results in the surveys and polls we conduct, by mail, by telephone, and by personal interview.

There are always a few who refuse to reveal such data as the family income, but almost invariably, these are less than five percent of the total people interviewed. We have always been able to analyze the results and interpret the meaning of the survey, in spite of this small refusal.

BERT RUSSICK,
President, Mid-Continent Surveys.

MINNEAPOLIS, MINN.
August 22, 1967.

Congressman JACKSON E. BETTS,
House of Representatives,
Washington, D. C.:

Your first outline to me about willingness of respondents to cooperate does not bother me at all. I believe that people, by in large, are willing to be interviewed as long as we treat them in a businesslike manner. We are making a tally now of these 3,300 questionnaires to see really how many people did refuse to do the job. I would expect my trained interviewers to be able to complete any study for the Census Bureau with respondent's willingness and cooperation every bit as high as and probably more so than if these people were being called on by a person only hired for that one study. I can't imagine it posing any problem at all to me.

In this last year I have operated in every state in the Union. I have done thousands of questionnaires in Canada, Mexico, Hawaii; and now, we are getting ready to work in the United Kingdom, Belgium and France.

Mrs. MARIAN S. MCCULLOUGH,
President, Winona Interviewing Service, Inc.

CHICAGO, ILL.,
August 11, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D. C.:

As far as secrecy is concerned, this should be the least of your worries because a reputable private agency cannot do work for all the large food companies, as we do, and have a large mouth. We are constantly working on new products, product concepts, and the like, and what we do is always confidential and secrecy is about as natural as getting up in the morning. So, in short, we do have the strictest degree of confidentiality even though there is no law that says we have to keep our findings secret.

ALBERT W. HACHMEISTER,
Vice President, Jackson Bee Angell & Associates, Inc.

NEW YORK, N.Y.
August 17, 1967.

JACKSON E. BETTS,
Congress of the United States,
House of Representatives,
Washington, D. C.:

The non-response on personal interviews and telephone interviews, when contact with a respondent is made, is relatively minute.

Certain questions relative to income have a higher non-response than less personal questions, but even this non-response is not of a significant nature.

Mail surveys have various percentages of returns depending on the interest of the subject matter, and the amount of inertia (on the part of the respondents) in taking the physical time to answer the questions and mailing the questionnaires. However, of those questionnaires returned, the non-response is negligible.

GEORGE FINE,
Market Research Service.

Several company presidents thought the mandatory features of census questionnaires unnecessary because the official Government format and documentation are adequate to gain the cooperation of any reluctant respondents. Two examples of these replies follow:

CHERRY HILL, N.J.,
August 29, 1967.

Congressman JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

It is believed that the Census Bureau would, through personal interviews, receive a high level of response and meaningful results on a voluntary basis from both individuals and business. This has been our experience in both consumer and industrial/commercial surveys. Generally, people will cooperate as long as their doing so is not detrimental to them. An invaluable advantage in the case of the Census Bureau's survey work, is that the "official" stamp of the Federal Government is present.

HUGH F. BRESLIN,
Director, Arthur S. Kranzley & Co.

NEW YORK, N.Y.,
August 14, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In reply to your letter of August 9, I would like to say that our refusal rate from the general public of answers to our questions has been very small . . . less than 5% on the average. I feel sure that if a census enumerator were to ask any sort of question of the general public, an answer would be given without the threat of punishment. The mere fact that the enumerator was representing the government would be sufficient to give even greater attention to the questions than if she were coming from a private research company. I doubt whether many people now realize that they would be penalized for failure to answer the questions.

LEE ANDREWS,
President, Andrews Research, Inc.

A third view expressed by these market research experts was that the mandatory nature of decennial census questions may even distort the accuracy of such reports. I agree with this thesis. To demand compliance from a citizen is meaningless if the information given is not accurate or complete.

WEST END, N.J.,
August 15, 1967.

Hon. JACKSON E. BETTS,
Congress of the United States,
House of Representatives,
Washington, D.C.:

Mandatory compliance in Census Bureau surveys may yield responses that are neither reliable nor honest. Private market research organizations, if they are any good at all, will be able to do two things that would help the Census Bureau: (1) Use qualified people who will be able to secure cooperation from respondents; (2) validate the results obtained, so that it will be really useful.

MOTIVATION ANALYSIS, INC.
MRS. MIRIAM EISENBERG.

CHICAGO, ILL.,
August 8, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

The point was raised in your letter about whether government identification helps survey responses. Let me say emphatically, "*no*". We find that our refusal rate as a private survey company generally runs well below 7 percent. Equally important, we think government identification on many surveys produces a strong bias which may produce seriously misleading data.

DAVID K. HARDIN,
President, Market Facts, Inc.

ST. LOUIS, MO.,
August 21, 1967.

Congressman JACKSON E. BETTS,
House of Representatives Office Building,
Washington, D.C.:

Under most circumstances voluntary information has more reliable, usable response than forced answers. Obviously voluntary answers cannot be obtained from the total market. However sampling techniques can be used which do give a high degree of statistical reliability to the total answers obtained.

ROY ST. JEAN,
Edward G. Doody & Co.

Several of the firms from whom I received replies are or have been Government contractors. It is clear from their statements they are satisfied with the techniques of research using only voluntary questioning and that the Federal department or agency for whom they undertook the project believed such an approach is sound. In a real sense, then, we find Federal agencies using private contractors who must employ only voluntary data gathering techniques and the Bureau of the Census relying largely on compulsory methods. I think this inconsistency should be fully explored. Here are excerpts of letters on this point:

PHILADELPHIA, PA.,
August 9, 1967.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington D.C.:

Certain private marketing research firms such as Chilton Research Services are conducting and do indeed have, the particular research capability and technical qualifications to conduct nationwide surveys among such highly specialized populations as engineers, psychiatrists, educators, and farmers, as well as surveys among consumers in households.

Private marketing research organizations are in fact doing this kind of work every day both for business and industry and for the Federal Government. Since these companies must be competitive in terms of cost, accuracy and reliability, they must function at the highest level of efficiency possible or they do not stay in business. American businessmen using these services, who in their own highly competitive fields, require maximum efficiency cause these research organizations to be creative. It is my opinion that certain of these private research facilities can undertake or participate in the many projects with which the Bureau of the Census is involved.

It is my view that the present clients of Chilton Research Services do not suffer in any way from our inability to apply the penalties of the law for not responding to questionnaires seeking legitimate information. Where information is given freely and willingly it may be more reliable and may demonstrate greater finesse and technique to elicit information than where there is the possibility of threat or penalty for not replying.

JOHN H. KOFRON,
Vice President, and Director, Chilton Co.

Finally, there are those market research firms whose management feel that my recommended approach, through the adoption of H.R. 10952, is a desirable change in present law and census practice.

SAN FRANCISCO, CALIF.,
September 5, 1967.

Mr. JACKSON E. BETTS,
Eighth District, Ohio,
House of Representatives,
Washington, D.C.:

We would suggest that Census surveys might be conducted in such a way that only the basic Constitutionally required information be obtained by a complete census, while the additional information could be obtained from sub-samples of the population, perhaps at more frequent intervals, thereby diminishing the burden on individual citizens while at the same time providing society with vitally needed estimates of important population parameters.

FIELD RESEARCH CORP.
MERVIN D. FIELD.

PEEKSKILL, N.Y.,
September 12, 1967.

Hon. JACKSON E. BETTS,
Congress of the United States,
House of Representatives,
Washington, D.C.:

I believe that the Census Bureau should obtain its basic information by the interview methods that are currently in use, and on an involuntary basis. However, I believe that the information that an individual is required to give, on this mandatory basis, ought to be limited, as you have suggested in your bill and speech. Information going beyond this basic data can, I believe most expeditiously be garnered by reuse of sample surveys. The Bureau of the Census, The Department of Commerce, and other organizations within the government, are well acquainted with the use of sampling surveys and their limitations statistically and mathematically, and I believe, could gather most of the information which is sought in the census by the use of such methodology.

WILLIAM CAPITMAN,
President, The Center for Research in Marketing, Inc.

Of all the letters I received, the following paragraph succinctly summarizes the wholesome and apparently abundantly successful approach taken to market research firms by men and women in this profession:

All Marketing Research studies are based on the premise that, "It is the basic right of every individual to refuse to be interviewed, once he has agreed to the interview it is his basic right to refuse to answer any questions he feels are an invasion of his privacy." In addition to this all work is of a highly confidential nature and respondents are assured their answers will never be seen or used by anyone other than the people directly connected with the research study. We find by adhering to these principles that a well trained personable interviewer capable of establishing and maintaining rapport, not only encounters few refusals but provides respondents with an interesting and enjoyable diversion from their days activities.

In my opinion there is never a need for a threat of fine or imprisonment for one's refusal to answer questions—properly conducted interviews can elicit these answers without concern or threat.

Mr. Speaker, this analysis is only part of the reasoning and documentation I plan to advance in support of H.R. 10952. I would welcome assistance from any of my colleagues in attempting to protect the privacy and freedom from harassment of the American people. When a hearing is scheduled on 1970 census question plans, I hope many Members will afford themselves the opportunity to speak for their constituents, because all our citizens are involved in a decennial census.

THE MALTESE WELFARE PROPOSAL

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

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

There was no objection.

Mr. HALL. Mr. Speaker, ocean floor resources are to be turned over to the United Nations of some nebulous international organization for administration. The revenues from exploration and exploitation are to be turned over to the developing nations of the world.

The tiny country of Malta on August 17, 1967, in fact, made such a proposal to the United Nations, rushing its proposal as an agenda item for the 22d session even before studies to formulate proposals for expanded international cooperation were completed. These studies were to have been reported to the Secretary General during the 23d—current—United Nations General Assembly session.

The Maltese proposal looks forward to a treaty which would reserve the ocean floor for peaceful purposes, establish an international agency to assume jurisdiction over the deep ocean floor—and its resources—and set aside revenue from the exploitation of the ocean floor for the benefit, not of the United Nations at large, not of the countries that conduct the exploration and exploitation, but for the benefit of developing countries.

On the surface the proposal sounds innocuous enough, but when one realizes the scope of the proposal, it would seem that our Ambassador, Mr. Goldberg, should have notified we who represent the people in the Congress, of the danger and expressed himself to the United Nations as inalterably opposed to a giveaway of resources; over the jurisdiction of which we have a paucity of knowledge.

The proposal itself disregards the extensive work of the United Nations International Law Commission, a number of important laws of the sea conventions adapted in Geneva in 1958 and also agreed to and signed in 1958. One of those conventions deals directly with the Continental Shelf. It gives to coastal states sovereign rights for the purpose of exploration and exploitation of the natu al resources of the Shelf and defines Shelf as the seabed adjacent to the coast beyond the territorial sea "to a depth of 200 meters or, beyond that limit, to a depth of the superjacent waters admits of the exploitation of the natural resources of the said areas."

I have read carefully the position of our State Department as expressed by the Deputy Assistant Secretary for International Organizational Affairs, David Popper. As one might expect, the State Department expressions lack preciseness, but he surely understands the magnitude of the proposed giveaway.

It is my belief that it is time to again examine the Executive authority. It is time to again take inventory of the total giveaway authority vested in the President, and which he has further and I believe erroneously delegated to his representative at the United Nations. The matter must be examined in depth.

The United States as a member—and I might add paying member—of the United Nations is entitled to know:

First, why did the Maltese Ambassador, Arvid Pardo, make this premature proposal?

Second, who put the Maltese Government up to the proposal? Are they, perhaps, the sounding board for the British?

Third, and, most of all, why the rush?

It is my conviction that there is no rush; it is my conviction that the presently agreed to international law is reasonable and is substantive. There is little reason to set up additional unknowns and additional legal barriers, which will impair and deter investment and exploration in the depths of the sea even before capabilities and resources are developed. A part of the revenue received certainly should come to the country adjacent to the sea bed being explored and risking the prospecting.

It is my opinion that the Congress must make its will abundantly clear to the executive department and that the executive department should instruct our Ambassador to the United Nations along these lines.

Mr. Speaker, for these reasons I am today introducing a joint resolution that will express the sense of Congress in this vital area.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THIS WEEK

Mr. GERALD R. FORD. 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 Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I have requested this time in order to inquire of the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], the program for the remainder of the day and for the remainder of the week.

Mr. ALBERT. Mr. Speaker, will the distinguished minority leader yield to me?

Mr. GERALD R. FORD. I yield to the distinguished gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, we shall have no further legislative business today. We do have one bill on the program for the consideration of the House upon tomorrow, which is listed in the whip notice, H.R. 10673, to amend the Packers and Stockyard Act, under an open rule with 1 hour of general debate. Further, unless there are other unanimous-consent requests and conference reports to be considered, about which I do not know at this time, that will constitute the balance of the legislative program for the week.

Mr. GERALD R. FORD. I thank the distinguished gentleman from Oklahoma.

ADJOURNMENT TO MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

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

There was no objection.

SNOOPING

Mr. GALLAGHER. 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 New Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, there is no question in anyone's mind that the protection of the law-abiding majority is one of the fundamental purposes of government. But the desirability of assuring that protection must not cause us to overlook what is perhaps a more important consideration: the right of every citizen to be free from unwarranted invasion of his privacy from any source.

It is in this context that I see the current debate of the extension of the use of wiretapping and electronic eavesdropping. We have already witnessed hundreds of examples of the loss of individual privacy. No matter how laudable the aims of the distinguished Judicial Conference of the United States, it is my belief that any proposal that would broaden the use of electronic intrusion is another blow at privacy and, ultimately, at freedom.

I think that the soberness and seriousness of the debate taking place among concerned citizens, lawyers, law-enforcement officials, and responsible journals of opinion is an indication of how deeply this problem touches the shared, basic values of every man who lives under our Constitution.

The Washington Post, in an editorial on September 28, 1967, has made a highly useful contribution to that debate and I would like to commend it to the attention of my colleagues.

SNOOPING

The Judicial Conference of the United States has voted to endorse legislation that would permit Federal and state investigators to tap telephones and eavesdrop electronically under court order. With the highest respect for the authority of the Conference, we offer an opposition to its view. The social costs of such intrusion into privacy would, in our judgment, heavily outweigh the gains to law enforcement.

The Conference gave its approval to pending eavesdropping legislation with the proviso that it be amended to meet the restrictions laid down in last June's Supreme Court decision in the *Berger* case. In that case, the Court struck down as constitutionally invalid a New York statute authorizing eavesdropping under court order because it failed to meet the Fourth Amendment requirement of a reasonable search—that is, that it particularly describe "the place to be searched and the persons or things to be seized."

The truth is, we think, that this requirement cannot be met by any court order authorizing eavesdropping. As Mr. Justice Black observed in a dissenting opinion in the *Berger* case, the Court's decision "makes constitutional eavesdropping improbable."

It is a fallacy to suppose that a court order can circumscribe or control eavesdropping in the way that a warrant can limit an ordinary search. When a telephone is tapped or a room is bugged, the privacy of everyone using the telephone or the room is invaded, whether or not he is under suspicion of criminal conduct. The conversation of anyone calling the telephone or entering the room is recorded, whether or not it is related to a crime under investigation. Intimacies of every sort—social, business, conjugal—may thus be divulged to the eavesdroppers.

More serious, perhaps, than the eavesdropping itself is the pall which fear of it may put upon normal conversation. The most law-abiding men and women have things to say to each other which they want to say in confidence. Any official intrusion into such privacy is, as Lord Camden put it two centuries ago, "subversive of all the comforts of society." People who fear that government agents may be covertly listening to all that they say are not free people. They speak under constraint. And where this fear is endemic, freedom of communication is a casualty.

The community must choose, as is so often the case, between the claims of freedom and the claims of safety. Acknowledging that bugging and tapping may give the police some assistance in combatting organized crime—or may at any rate make it necessary for criminals to be extremely circumspect in communicating with each other—the question is whether the inhibition on lawful conversation is worth the cost. The choice is between facilitating the work of the police and facilitating free communication. Men cannot be free if they live in fear of official surveillance. "It is more than desirable, it is necessary, that criminals be detected and prosecuted as vigorously as possible. It is more necessary," as President Roosevelt put it, "that citizens of a democracy be protected in their rights of privacy from unwarranted snooping."

WTAE-RADIO-TV EDITORIAL ON JUVENILE CRIME AND DELINQUENCY

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, earlier this week I introduced legislation proposing a drastic overhaul of the way the Nation's Capital deals with juvenile offenders.

I feel that cities throughout the Nation can look to this proposal as a model for action to combat juvenile delinquency.

Recently WTAE-Radio-TV, Pittsburgh, carried an excellent editorial on this subject which I would like to call to the attention of our colleagues:

(The following Editorial was presented over WTAE Radio by F. Geer Parkinson, Vice President and Station Manager, from September 22–24, 1967.)

Our Juvenile Court has received a severe going-over in a long, critical study by the National Council on Crime and Delinquency.

The survey found the court overcrowded and understaffed; its probation practices faulty; its space cramped; its salaries inadequate and unrealistic. There aren't enough typists, nor enough telephones. A judge hears cases until nine o'clock at night, and there's still a backlog. Youngsters are in detention who shouldn't be, and some who should be are getting off by paying fines to squires.

The report does not paint a pretty picture of the court nor of the political leadership responsible. But the report did not stop there. It had a measure of criticism for every adult in the county, because of our near-sighted belief that a juvenile court is the only answer for troublesome youths.

Portions of the report which were critical of the court, the detention home and the county government have been widely quoted. But no one yet has quoted the portion which places blame on all of us. It reads like this:

"In order to really tackle the juvenile delinquency problem in Allegheny County, the people of this community must be more ready to tolerate and work with non-conforming youth and less ready to pass them on to juvenile court."

The study charges that many youngsters are going to court for offenses that aren't really bad enough to require the formal machinery of a court. But their neighborhoods lack the patience, the concern, the wholesome resources of sports and constructive activities that keep restless youths occupied and supervised.

The flaws the study found in the juvenile court are easily fixed with more money. Less easily fixed is the flaw in our national thinking which wants to substitute institutions for the old neighborhood spirit of looking after your own.

LET'S GIVE CRIME VICTIMS AND GOOD SAMARITANS A BREAK

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, the idea is growing in our Nation that society has a responsibility to those persons who become innocent victims of violent crimes.

The innocent victim of a violent crime is often called the "forgotten man" of our society.

Our system of criminal justice takes great care to apprehend suspects, afford them a fair trial, and punish and rehabilitate those found guilty. But while society is housing, feeding, and attempting to rehabilitate its criminals, it is leaving victims of crime and their families to fend for themselves. Often this is at considerable hardship to these innocent people.

Unless the crime victim carries an unusual amount of his own insurance, he will have the burden of costly medical care and lost earnings for the time he is recovering. If death to a family breadwinner results from a violent crime, the family left behind might well have little or no resources or income on which to live.

In the last Congress I sponsored H.R. 14887, to set up a Federal Violent Crimes Compensation Commission. Today I am introducing a similar bill but broader in scope, since compensation could go not only to the principal victim of a crime but also to a good Samaritan, who was injured while trying to stop the crime or apprehend the offender.

The bill I am introducing would cover crimes committed in the District of Columbia, on Federal installations, and other places where the U.S. Government has general police power. Beyond its immediate area of coverage, however, I hope this bill can serve as a model to encourage States to provide their own crime compensation schemes. New York and California already have crime compensation laws.

Under the crime compensation bill I am introducing, a good samaritan injured while helping at the scene of a crime would have a claim for compensation. It is a government's duty not to throw roadblocks in the way of unselfish citizens who wish to aid another in an emergency. For this reason I am introducing a companion bill that will shield every good samaritan from civil liability arising from their helping at the scene of an accident or other medical emergency, such as a crime.

The good samaritan immunity from civil suits has covered physicians and nurses in the District of Columbia since Congress enacted it in 1965. My bill would extend this immunity to all citizens acting in good faith, provided they are not expecting payment for their aid and their conduct is not grossly negligent.

At least 13 States now give good samaritan immunity to all persons, not limiting the immunity to physicians and nurses, according to the Legislative Reference Service. These States are Arkansas, Florida, Idaho, Montana, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Vermont, and Wyoming.

Serious crime has risen to such a level in this country that nearly two out of every 100 Americans will be a victim of some serious crime in 1967. My two bills, I hope, will give more backing to the good samaritans among us who are willing to help their fellow man at the risk of great sacrifice. And the crime compensation plan I propose in one of the bills will go a long way to lighten the burden that violent crime can place on individuals and their families for up to a lifetime.

Mr. Speaker, the Reader's Digest, in its July 1967 issue, presented an article by Irwin Ross entitled "The Victims of Crime Deserve a Break." It tells both clearly and concisely how crime compensation plans are working in Great Britain and the United States. For the benefit of those Members who did not happen to see this excellent brief article, I include it in the RECORD at this point:

THE VICTIMS OF CRIME DESERVE A BREAK

(By Irwin Ross)

Great Britain and New Zealand, and two American states—California and New York—now recognize society's obligation to assume some responsibility for those who suffer criminal violence. Shouldn't every state follow their example?

When a Chicago cab driver named Lawrence H. Boyd saw three thugs pounce on a couple of young men and knock them to the ground, he dashed from his cab to help. Pistol shots rang out, felling Boyd. He managed to drive himself to a hospital, then collapsed in the emergency room. He underwent two operations, but partially lost the use of his right hand. In all, he spent 31 days in the hospital and ran up medical bills totaling $2269. No longer able to drive a cab, he was unemployed until he found a factory job that he could do with one hand. Despite substantial gifts from sympathetic citizens, he still owes more than $2000. For Boyd, it was a costly moment of heroism.

The fate of the Collins family was even more tragic. In October 1965, Arthur Collins, 28, and his wife, Christine, 26, were riding on a New York City subway train when a drunk lurched through the car and began annoying several women passengers. At the next station, Collins rose from his seat and put the man off the train. But the drunk dashed back and plunged a knife into Collins' heart. Collins died within minutes. He carried no life insurance and had been earning a modest $6000 a year, so Mrs. Collins was left virtually penniless.

The maimed cab driver and the young widow typify the plight of the innocent victim of crime. Year by year, the crime rate rises. FBI statistics for 1965 (the most recent available) showed 206,700 cases of aggravated assault, 118,920 robberies, 22,470 cases of

forcible rape, 9850 murders. For thousands, the sheer bad luck of being the victim of unprovoked violence means financial disaster as well as physical agony.

The situation is as ironical as it is unjust. City, state and federal governments spend millions of dollars each year on housing and feeding criminals, on attempts to rehabilitate them. The perpetrator of crime is well cared for—as is proper in a humane society—but the blameless victim of crime has traditionally had to fend for himself, pay his own medical bills and support his family during his convalescence. "The innocent victim is the forgotten man in our society," New York's Gov. Nelson Rockefeller declared.

The problem has finally touched the conscience of the nation. In 1965, California passed legislation providing financial aid to victims of crimes of personal violence. Last year, New York State followed suit. Similar proposals are now being considered in Illinois, Massachusetts, Michigan, New Jersey and Rhode Island. Meanwhile, in New York City, the Collins case prodded the City Council to pass a "Good Samaritan" law to compensate citizens for losses they sustain in trying to prevent a crime or preserve the peace. Mrs. Collins now receives a pension of about $4420 a year, or what a policeman's widow would get in similar circumstances.

Compensation for crime victims is a proper charge on society, in the view of many authorities. Arthur J. Goldberg, while still a Supreme Court Justice, said, "The victim of a robbery or an assault has been denied the protection of the laws in a very real sense, and society should assume some responsibility for making him whole."

As a practical matter, private insurance schemes are no solution to the problem. If a crime victim has medical insurance, his hospital and doctor bills may be covered, but he will not recoup lost earnings. Income-protection insurance is too expensive for most people. And although the victim of a felony has a legal claim against the perpetrator, too often the criminal is never caught. When he is, more often than not he is penniless. Private charity, as a source of assistance to crime victims, is too capricious to be dependable.

Efforts in this country to compensate victims of crime have been enouraged by the success of the programs that went into effect in New Zealand and Great Britain in 1964. The British plan in particular is providing helpful guidelines for similar programs in the United States.

The British plan is run by the Criminal Injuries Compensation Board, consisting of a chairman and six members, all lawyers. Anyone injured as a result of a crime, or in trying to prevent a crime, is eligible for compensation. So are his dependents if the victim dies. The Board determines the validity of claims and also decides on the amount of compensation. A valid claim must involve "substantial" injuries—defined as costing at least $140 or three weeks' lost wages. Crimes committed by members of the victim's family, living under the same roof with him, are excluded from coverage. So are criminal-negligence cases resulting from auto accidents.

In judging the claim, the Board verifies the applicant's earning's figures, notes any payments of unemployment or sickness benefits, checks medical records, and may ask a Board doctor to examine him. The award is always made in a lump sum, its size determined by the amount of medical expenses and estimated lost earnings (or lost earning capacity, if the victim was killed).

Rich and poor are equally eligible for the Board's awards, but a ceiling of twice the average industrial wage—or, currently, about $112 a week—is imposed on compensation for lost earnings. Anyone making less is compensated only for his actual loss. A comparable ceiling for the United States, where both wages and prices are higher, would be about $198 a week.

Since the scheme began, the Board has rejected 458 applications and paid 3682 awards totaling $3,780,865; 1616 applications were still under investigation at the end of March of this year. Among the biggest awards is one for $9800, paid to a mother whose 23-year-old son went to the aid of a man set upon by a gang of drunken youths. The rescuer ended up with a knife wound in the groin, from which he quickly bled to death. His assailant was captured and ultimately sentenced to life imprisonment. The victim had helped support his widowed mother; hence the size of the award.

A more typical case involved a 55-year-old rent collector who was attacked by two youthful robbers as he went his rounds. He escaped with comparatively minor knife wounds on his left arm and leg. But he subsequently suffered a severe attack of depression and anxiety which required treatment. He was so fearful of being robbed again that he had to give up collecting rents—which meant relinquishing his free apartment—and take another job. All told, he was away from work three months. The Board awarded him $2660.

If the victim was responsible for his injuries—if, for example, he provoked a fist fight and then got mauled—he cannot receive compensation. The Board is equally alert to accidental injuries falsely attributed to criminal attack.

The California and New York programs both resemble the British in many respects; the major difference is that aid is limited to those suffering serious financial hardship. For example, the California program, administered by the Department of Social Welfare, applies substantially the same eligibility standards as those involved in the Aid to Families With Dependent Children program. This feature of the law has drawn the most criticism. As Prof. Marvin E. Wolfgang, of the University of Pennsylvania, a top criminologist, has put it, *"Compensation should be provided as an assertion of an individual right and a social obligation, not as a form of charity."*

The New York City law, in effect since the end of 1965, requires no showing of penury, but suffers from another limitation: it covers only individuals who have been injured or killed *"while attempting to prevent public disturbances."* This takes care of the occasional hero, but not the bulk of crime victims.

Most authorities agree that an effective compensation program should cover both the "Good Samaritan" and the ordinary victim. It should provide compensation for medical expenses and, within limits, for lost income. But not for property losses—property insurance is widespread, and opportunists might find it too easy to defraud the government by faking losses.

As to whether compensation should be paid in a lump sum, as under the British plan, or in installments, as California handles it: perhaps the best system would be to allow payment at the compensation board's discretion. In the case of a physical disability, periodic payments offer the chance to review the situation from time to time.

The United States does not need a national program. A variety of plans, devised by different states, will give scope for experimentation in what is still a relatively uncharted field. The essential point is that assistance be prompt and adequate. Those hapless casualties of crime are more than anonymous statistics. They could be any of us, as we unsuspectingly go about our daily business.

A SPEECH BY ODIN LANGEN

Mr. SCHERLE. 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 Iowa?

There was no objection.

Mr. BERRY. Mr. Speaker, one of the finest things I have heard or read in a long time was the address of our colleague, the Honorable ODIN LANGEN of Minnesota, before the Minnesota Fur Breeders Convention on September 23, 1967, in Minneapolis.

His comments were geared to the plight of the mink farmers, but they are applicable, Mr. Speaker, to other agricultural products being damaged by cheap, ruinous imports. The speech follows:

While I find it a great honor and a privilege to share a few observations with the Minnesota Fur Breeders Association, I would be more at ease if the subject assigned to me had a brighter outlook in the Congress.

The past several weeks and months have brought me an acquaintance with the mink industry, and with pending legislation and considerations presently in progress by the Tariff Commission, which constitute the subject of my discussion with you this afternoon.

I have had the opportunity to correspond and communicate with almost all of the mink producers in the State, and others who have an interest in the future of the mink industry. This correspondence has revealed that we share a very common concern for the economic problems that have been created by the ever-increasing imports of mink pelts that now threaten the more than 5,000 ranchers throughout the country to the point of where many may have thought of seeking some other line of endeavor.

The object of our discussion today is to look at what has happened so far, in an attempt to save the mink ranchers, and to see what we can do in the days ahead to assure some success.

The history of the American mink ranchers is a commendable one, and compliments are truly in order for their efforts in building a world-wide demand for mink. It constitutes the kind of accomplishment that we have long recognized in this country as one of the main factors in the growth and progress of our nation, as afforded by the free enterprise system. It would seem, then, at this time, that certainly such a commendable accomplishment on the part of a free enterprise endeavor should at least be permitted to continue its operation. To do so would be an economic asset to many local communities and the nation.

I refer to the fact that during the past twenty-five years, you have assessed your own sales receipts to the extent of $20 million for market development. The result has been the building of a world-wide demand for mink. This $20-million investment in building consumer demand around the world has been so successful that we now find foreign nations making use of the market you created, for their own personal gain. This is a story very familiar to American agriculture. American farmers have, time and time again, created their own markets, only to see their efforts usurped by foreign suppliers, who then got on the band-wagon at their expense.

Oftentimes, the governments of foreign countries have provided great help to their producers in maintaining their markets, but the United States Government is so intent on helping everyone in the world that they often forget to give even token recognition to the best interests of those who have created the production ability of both quality and quantity in this country.

The mink industry has never received a

government subsidy or a support price. They now find even a lack of the regard for their future well-being that they have earnestly and sincerely earned.

Imports of mink began on a duty-free basis, and at one time, had little or no share of the American market. They have since expanded, so that in 1966, nearly 42 percent of the American consumption of mink pelts was being satisfied by foreign imports. During the six-year period from 1960 to 1966, statistics reveal that the imports doubled, with 2,846,000 pelts in 1960 and 5,675,000 pelts in 1966. The results of such a drastic increase in imports have been most disastrous to the mink ranchers of the United States.

The catastrophic proportions of these imports have now depressed the market to a point where you can't even sell your pelts, or, if you can, you are forced to take a substantial loss. Minnesota mink ranchers alone lost over 5-million dollars of income on the 1966 crop, because of the greatly reduced average prices at the auction houses. With Minnesota producing about 13 percent of the total production in the United States, it follows that the national loss would be nearly 40 million dollars. Obviously, this has a great economic effect on an industry that normally has a return of some $160-million annually.

All of this money goes back into ranch operations that enrich your local communities. It is worth noting that the annual feed bill runs over $60-million a year and so the mink rancher doesn't stand alone in this loss, if he goes out of business. The producers of feed and the suppliers of the other needed equipment and facilities also have a heavy stake in your business, and they should be enlisted as allies in your endeavor to preserve your industry.

In Minnesota, which is the second largest mink-producing State in the Nation, you have a total investment of more than $20-million, with gross sales of almost $20-million a year. You provide a feed market of $7-million, and a payroll of almost $4-million.

Let us consider the presently depressed prices, which averaged $19.50 for the 1965 crop, and dropped to $14.25 for the 1966 crop, with prices down as low as less than $8.50 in June of this year.

Every community that has enjoyed the benefit of the growth of the mink industry has quite obviously felt the economic effect of this greatly reduced income, with a comparable reaction on the entire national scene.

The over-all results don't stop there, however, because this unhealthy ratio of imports to exports also affects the United States balance of payments. It has been estimated that the United States suffers a loss of gold in the amount of $73-million each year.

It is these adverse economic factors that have prompted a great many Members of Congress to submit bills that would restrict imports of mink into the United States. Many of these bills provide for a limitation of imports to 40 percent of our domestic consumption. In my humble estimation, however, this is not a sufficient reduction, and I have, therefore, recommended legislation that would reduce the imports to the level of 1966, which was about 30 percent. It would seem to me that the mink ranchers are entitled to at least this minimum assurance of their own domestic market.

In addition to the legislation introduced, attempts have also been made to convince the President and the respective Departments to require the United States Tariff Commission to hold hearings for the purpose of establishing and recommending responsible quotas.

Let me comment for a moment or two with regard to the results of these Congressional endeavors so far. First, it appeared somewhat favorable for the legislation some time ago when the Chairman of the Ways and Means Committee did request the views and recommendations of the State, Treasury, Agriculture and Commerce Departments, together with those of the United States Tariff Commission. However, so far, the only report that has been called to my attention has been from the Tariff Commission. Possibly the others may be forthcoming.

It has been most difficult to attract the attention of the Ways and Means Committee in holding hearings on this legislation, primarily because of the heavy workload that they have had in connection with Social Security, Medicare, and now a proposed tax increase. The Tariff Commission, with reluctance, has finally agreed to hold an investigation and hearings on the matter, which no doubt has come about because of the many letters written by myself and other Members of Congress to the President and the Commission, calling attention to the urgent need for action.

The hearings are scheduled to begin on December 5th of this year, providing interested parties the opportunity of stating their case.

Anyone wishing to do so should notify the Secretary of the Commission in writing at least three days in advance of the date set for the hearings, or may submit written statements which should be on file by December 5th. (Note: Secretary's name—Mr. Donn N. Bent, Secretary, U.S. Tariff Commission, Tariff Commission Building, 8th and E Streets, N.W., Washington, D.C.)

The response to our letters at times has been most discouraging, and I should like to quote from a letter received from the Office of the Special Representative for Trade Negotiations, to which my request had been referred. The letter read in part as follows:

"We would be reluctant to consider the imposition of additional restrictions on imports of mink without a showing that such imports are causing or threatening serious economic injury to the domestic industry. This is especially true, since the domestic industry already enjoys extraordinary protection through the total embargo on imports from the Soviet Union."

I can see no extraordinary protection to American mink producers, in that we don't buy mink from the Soviet Union. To do so would only provide Russia with additional moneys that they, in turn, could use to provide more military equipment and supplies to our enemies in North Viet Nam.

Their answer offers somewhat of a clue as to how much sympathy you may be getting from the Administration.

The pressures on them, however, by the Congress have been of such proportion that they found recent actions necessary, possibly in order to avoid further embarrassment.

I should say without hesitation that this proposed tariff investigation is primarily designed to stall Congressional action, while additional mink ranchers go out of business. These hearings should have been held long ago, as was suggested by the industry and Members of Congress. At this late date, they can accomplish little in remedying the damage that has already been done, and will continue until some changes are made. For this reason, I wrote again yesterday to the President and the Tariff Commission recommending that these hearings be held at the earliest possible date, in order to avoid a catastrophe at the beginning of the new marketing season, comparable to last year's experience.

These same tactics have been used before to satisfy the disregard that some would show for our own industry in this country in favor of their counter-part in foreign countries. We might well remember that the same identical experience was prevalent in the milk industry when it appeared that Congress was on the verge of passing a dairy products quota bill, and, I am happy to say, did result in dairy product quotas being established, and while not sufficiently reduced to adequately satisfy my recommendation, they are a big improvement over the quotas that prevailed for the past several years.

It, therefore, becomes most pertinent, at this time, to not only continue the pressure, but to expand it, with the objective in mind that either Congressional action may result, or the Tariff Commission will respond with realistic quotas that would grant assurance of a reasonable proportion of our own domestic market being preserved for our own producers.

I cannot urge you strongly enough not to neglect any possibility of conveying to the Tariff Commission or the Congress your feelings and recommendations on the matter.

There has been one additional consideration registered by myself and others. I asked for emergency Farmers Home Administration financing for mink ranchers. Again, I have been just as dismayed by the answers received from the Department of Agriculture. An Assistant Secretary wrote to me that "only in areas where a natural disaster has caused a general need for agricultural credit which cannot be met by local sources would emergency loans be granted." He said the law does not permit the designation of emergency loan areas, based on unfavorable economic conditions, but to me, mink ranching going out of business IS a disaster, regardless of whether or not the Assistant Secretary may consider it to be a "natural" one. I might remind him that such disasters have come to be most natural in all segments of agriculture.

The irony of this attitude toward your problem defies understanding. Much has been said and written regarding the general plight of agriculture and rural areas. This is one of many significant and contributing factors to their plight, that warrants our brief consideration this afternoon.

We have identified this afternoon an industry that was making money, paying taxes, supporting local schools and merchants, and contributing substantially to the economic well-being of our State and local communities. Each of you as self-sustained men and women has been paying your own way at no expense to government, and actually making great contribution to that government. Then along come imports. No effort is made to recognize their significance to your future. All of the efforts of individual initiative and investment literally go up in smoke and you can no longer make a living at mink ranching.

It sounds almost brutal to recognize that a bankrupt mink rancher can pay no taxes, can support no payroll, can provide no market for other farmers who provide feed or merchants who supply equipment for your ranch. A bankrupt rancher leaves no incentive for his children or labor to remain on the farm or in the community.

While irritating, it is of interest to note what the attitudes of the bureaucrats in Washington are, in relation to the many areas where the producers of agricultural products have found themselves in a state of no longer being able to make a living, because of inadequate prices. On Wednesday of this week, I noted this statement by the Secretary of Agriculture, made in Montevideo, Minnesota—and I quote:

"Improved agricultural methods of the last twenty years, which have driven thousands of illiterate, unskilled workers off the farms and into the cities, have helped fuel the racial disturbances of the past summer."

Not only does he disregard the plight of the agricultural producers and laborers, but actually further blames them for the riots and racial disturbances that have been prevalent around the country.

Statistics show that we have been losing mink ranchers at the rate of 500 per year, and have lost other farm operators at the

rate of 75,000 per year, and not because they were either illiterate or unskilled. We will be a long time in finding any solution to these problems, if such statements are a display of either the knowledge or understanding of what the problem IS, which in most instances, is inadequate prices. It is difficult enough for rural people and rural areas to survive under today's adverse economic conditions, without being blamed for conditions that are far removed from their problem, and I think such remarks ought to be stopped by whatever means available.

The rancher himself may well find that as retirement age approaches, he has no reliable sustenance and becomes dependent upon completely inadequate Social Security benefits or other pension and welfare programs. Along about this time, today's government seems to want to get back into the picture, now years too late, but will suggest a multitude of programs which might offer part-time work during the senior years, like planting flowers or picking up sticks along the roadways.

It would seem to me that it would show better wisdom to have had a fully self-employed, taxpaying citizen through the years, who is capable of taking care of his family and providing for his retirement.

The result is economically-depressed communities and rural areas that then find need to demand government assistance through multitudes of programs involving spending huge sums of taxpayers' moneys, most of which is wasted before it ever reaches either the individual or the community. If we don't have the wisdom to see the folly of such neglect, then it is any wonder that we also find ourselves incapable of dealing with riots, strikes, disturbances, inadequate farm prices, or unable to fight and win a war? The lack of concern by government in instances such as this amounts to a self-destruction of a pertinent segment of our economy, and then attempting to find a solution to the problem by the element that was the big loser in the first instance, namely, government.

It seems we haven't even learned the old and simple analogy that you can't lift yourself by your own bootstraps.

One ought to contemplate the philosophy of our diplomats who conduct and promote trade relations. It isn't too long ago that our Ambassador to Denmark was promoting the sale of Danish mink at the exclusion of our own superior product. It is almost unbelievable that such utter disregard for American interests should be exercised by our own diplomatic personnel.

This comedy of errors continues as we now note some of the negotiations that took place at the Geneva Conference. It should have been apparent to our negotiators long ago that rising imports of mink were depressing the domestic market.

With that knowledge, a realistic arrangement should have been made before those talks ended last June.

Proposed legislation and Tariff Commission investigations would not have been necessary today if these negotiators and the Commission had merely reviewed the Commission's own statistics instead of ignoring the pleas of the mink industry throughout the years.

Not only did our negotiating team in Geneva fail to come up with an agreement to help the American mink rancher, but the agreements will actually add to your problems. They not only agreed to maintain free entry of raw skins into this country, but they further agreed to reduce by over fifty percent the previous tariffs on dressed mink skins. This, of course, opens up possibilities of even more mink glutting our markets.

The further one explores the problem, the more ironic and disturbing it becomes. For it then becomes evident that foreign producers, notably the Scandinavian countries, are also feeling the effects of these price-depressing experiences. The office of the Special Representative for Trade Negotiations informs me that the American Embassy in Copenhagen has been told that mink breeders in Denmark, Sweden, Norway and Finland are equally disturbed over declining prices for their mink pelts, and have agreed to reduce mink production by 30 percent. Proper regard and regulation of the movement of these pelts would not only have helped the American rancher, but would also have prevented these nations from glutting our market to the point of where even THEY are not making any money.

I have never been able to understand how there could possibly be any wisdom or economic stability involved in trade policies that result in the producers on both ends of the transaction winding up as losers. This is a typical example of what has happened in the movement of agricultural products in far too many avenues of international trade.

In most instances, other countries show a regard for their producers and accomplish for them some security, and usually at our expense. I can think of no way whereby we can ruin the production capacity of quality products quicker than by permitting this utter disregard for realities to continue.

While somewhat aside from our subject today, how do we ever expect to feed and clothe a hungry world, if trade policies are to continue in such manner that the producers of these goods and commodities are to be deprived of any incentive to improve their production capacity or quality merchandise?

I can find only one consolation in exposure and review of these problems, and that is the dedication and ability of the mink producers, such as this group that is before me at this moment.

Their persistence, durability and desire to be self-sustaining and independent seems to be of such magnitude that even government can't subdue them, try as it will.

May I sincerely commend you for your patience, most considerate attitude, and your untiring efforts to bring common sense to bureaucratic chaos.

This problem can and should be corrected at the earliest possible moment. It is not impossible to do so. It has been encouraging to note that in recent months, we have finally gotten the bureaucrats to recognize, in a small way, at least, that imports do have a direct relationship to the price of agricultural commodities in this country. This has been documented and evidenced by the recent actions of the Tariff Commission in establishing quotas on dairy products. I can recall only too well six or seven years ago, when I first directed attention to agricultural price inequities that were caused by unnecessary imports from foreign countries. There were few people in Washington, or anywhere else, at that time that would give any regard to the relation of imports to current prices. This year, however, we find an increasing number of Members of Congress who have introduced bills, made statements, and in every way possible attempted to convince the respective departments that actions are necessary if our markets are not to be ruined entirely.

This has now expanded into fields that go beyond the agricultural scene. Earlier this week, an editorial column by David Lawrence, carries the headline, "Steel Feels Peril of Import Squeeze." The article goes on to identify the extent to which the steel industry has been hurt by imports, with more than 75,000 jobs lost, and other economic setbacks being the result of foreign imports of steel. There have also been concerns expressed, and legislation introduced relating to wool, textiles, honey, beef, hides and many other commodities that have suffered similar depressed prices and economic difficulties because of excessive imports.

All of these developments should only serve to further encourage us in this effort not to leave a single avenue unexplored in our attempt to restore the richly-deserved opportunity for mink producers to conduct their business on a profitable basis.

I have not only found great satisfaction in working with you, but have gained reassurance and confidence that the American people are still desirous and capable of guiding their own destinies, including that of their government. Thank you very much.

U.S. AGRICULTURE EXPORTS THREATENED

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, news reports have made clear that the Japanese have refused to negotiate with the United States any new understanding that would result in quantitative limitations—quotas and licenses—on Japanese exports of wool and manmade fiber textiles to the United States. Legislation requiring the administration to negotiate such controls has been introduced by many Members of Congress. The Japanese have indicated that any unilateral U.S. action to limit its exports in contravention of present U.S. international obligations would be greeted by Japanese retaliation against U.S. farm exports.

Such Japanese retaliation would take the form of tariff levies which would have the effect of limiting U.S. sales of farm commodities in Japan. The United States is vulnerable to such retaliation because we export substantial amounts of farm commodities to that country. For example: Japan buys $150,000,000 worth of soybeans from the United States each year. Soybeans is an important U.S. agricultural export of which the largest exporters by State are Illinois, Missouri, and Arkansas. Missouri soybean exports in fiscal year 1965–66 were $70.5 million, and the exports of Arkansas were approximately $60 million. Japan is also an important consumer of American wheat.

Japan is not alone in threats of retaliation to any new restrictionist U.S. textile move. The British Government has delivered a strong note to the U.S. Government stating its position against negotiation of new textile quotas. The German Government has done likewise and it is expected that the other members of the European Economic Community, Italy, France, Netherlands, Belgium, and Luxembourg, will do the same. The Swiss Government is also considering a formal note to the U.S. Government.

Missouri total exports of agricultural products in fiscal year 1965–66 were $204.3 million, of which soybeans, feed grains, wheat, flour, and lard and tallow were the major items. Many other States are also large exporters of farm commodities. The possibility of foreign restrictions against these exports in retaliation against a U.S. unilateral action to isolate U.S. textile production from the

international economy has serious implications for the economies of many farm States.

THE FIRST NATIONAL CITY BANK OF NEW YORK PUTS THE KENNEDY ROUND OF TRADE NEGOTIATIONS IN PERSPECTIVE

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, an article in the September 1967 edition of the Monthly Economic Letter of the First National City Bank of New York analyzes the results of the Kennedy round in perspective. The article emphasizes that all original U.S. proposals and objectives in the negotiations beginning in 1963 were not realized, but it stresses also that analysis of the results of the negotiations has shown that the Kennedy round was "truly a success."

The City Bank's article on the Kennedy round also emphasizes another aspect of the Kennedy round "success" and of U.S. trade policy that has received too little attention. This is that American exporters tend to be hesitant about investing heavily in developing export markets for fear that a shift in U.S. trade policy toward trade restrictionism might bring retaliation by foreign countries, thus cutting off those expensively developed export markets.

Thus, the long period of uncertainty in which the Kennedy round floundered before finally concluding had taken its toll on the so-called "trade climate."

To quote:

Just as a firm decides to invest in a foreign country if there is a favorable investment climate and not otherwise, so its willingness to develop a potential export market depends on a favorable trade climate. . . . Failure of the Kennedy Round would have been serious, but less because tariffs would have remained at present levels than because business confidence in the future course of tariff policy would have been seriously disturbed. The economic significance of the Kennedy Round is measured not so much by the direct effect of lower tariffs as by the maintenance and strengthening of that confidence.

The factor of business confidence in the trade climate and its direct influence on U.S. exports has been noted by the National Export Expansion Council and other groups. But it is too often forgotten by many businessmen who seek to affect long-term U.S. trade interests in response to short-term problems arising from constant shifts in the dynamic international marketplace. The article referred to follows immediately.

THE KENNEDY ROUND IN PERSPECTIVE

The Administration's thousand-page report, just released, will make clear in exhaustive detail what has so far been known to the public only in general terms: that the Kennedy Round was truly a success. Tariffs will be reduced on a much larger proportion of the world's dutiable trade than in any of the five previous rounds of tariff negotiations under the General Agreement on Tariffs and Trade (GATT), and the average cut will be as deep or deeper.

GATT ROUNDS COMPARED

GATT round	Scope of U.S. tariff cutting [1]	Depth of U.S. tariff cuts [2]
	(Percent)	(Percent)
1947	44	35
1949	3	35
1951	9	27
1956	11	15
1962	14	20
1967	46	35

[1] Value of U.S. dutiable imports on which tariff reductions were made or agreed in the year shown, expressed as a percentage of the value of total U.S. dutiable imports in the same year.

[2] Average percentage reduction in U.S. duties (considering only items whose duties were reduced), weighted by the value of U.S. imports of those items in the year shown.

Sources: U.S. Tariff Commission; U.S. Department of Commerce; Office of the Special Representative for Trade Negotiations.

The United States agreed to reduce tariffs on nearly two thirds of its dutiable imports; the average reduction will be 35 per cent. Cuts will be made over a five-year period. These results far exceed those of the four preceding rounds, as the accompanying table shows. Tariff reduction of comparable scope has not occurred since 1947, when duties were generally much higher and included a good deal of "fat" or excess protection.

Comparable figures on the scope of tariff reductions by other countries are not yet available. It appears, however, that the Common Market, Britain, other industrial countries of Western Europe, and Japan will reduce tariffs on roughly the same proportion of their dutiable imports as the United States. The average depth of our main trading partners' tariff cuts is as follows: Common Market, 35 per cent; United Kingdom, 38 per cent; Japan, 30 per cent; Canada, 24 per cent—compared with 35 per cent for the United States.

Success was all the more welcome because it was so unexpected. The negotiations, which dragged over four years, were far more difficult than previous GATT rounds had been.

In earlier negotiations the United States had been content with gradual and selective tariff cutting, and the President's authority to cut tariffs had also been quite limited. In contrast, the U.S. delegation entered the Kennedy Round armed with authority to offer tariff cuts up to 50 per cent of existing duties and with a mandate from Congress to launch an offensive against the European Community's common external tariff and agricultural policies. The United States hoped to build an "Atlantic trade partnership," in which the trade discrimination inherent in the Community's tariff and agricultural policies would be drastically reduced.

Had U.S. aims been less ambitious, the Kennedy Round would have accomplished less, but the far-reaching U.S. objectives brought, inevitably, a clash with the Common Market. The Community's common external tariff and agricultural policies serve not only protective purposes; they also serve important political ends. They help to maintain the Community's sense of identity during its evolution toward more complete economic union and are, for the time being, the main economic inducement to participating countries to remain members. The difficulties arising from the collision with U.S. objectives were compounded by others resulting from conflicts of interest within the Community.

In the circumstances, much credit is due the patient, dedicated and durable officials who did the negotiating.

THE INDUSTRIAL NEGOTIATION

To call the Kenndy Round a success is not to say that the original U.S. proposals were all accepted. The United States had originally hoped that all the industrial countries would make a 50 per cent across-the-board ("linear") cut in duties on all or nearly all manufactures, but it proved necessary to make a number of important exceptions. Textiles and steel in particular—where major tariff cuts would have disruptive consequences—were largely spared.

Moreover, Canada, Australia, New Zealand and South Africa made smaller and more selective cuts than the other industrial countries. Although these countries are highly industrialized, they export mainly agricultural products and minerals, and many of their manufacturing industries have high costs because domestic markets are small. Thus, they had—or believed they had—less to gain and more to lose than the other industrial countries from reciprocal tariff cutting on manufactured products.

Nevertheless, the "linear countries"—the United States, the Common Market, Britain, the other industrial countries of Western Europe, and Japan—agreed to cut tariffs on the great bulk of their imports of manufactured products by nearly 50 per cent.

This outcome reflects the fact that, for most of the industrial countries, rapid economic growth has come to depend in part on rapid expansion of international trade in manufactures and growing international specialization. A rapid growth of exports of manufactures makes a rapid growth of output possible, both directly and by loosening the balance-of-payments constraint on capital investment and expansion of internal demand. Economies of large-scale operation and associated technological progress are also involved. In these advanced industrial countries, the bulk of industrial output consists of differentiated consumer products and specialized capital equipment and intermediate products. For such products, full exploitation of economies of scale often requires rapidly growing export markets.

This is why trade in manufactured products among the industrial countries in the postwar period has been growing even faster than industrial output. Historically, this is unprecedented. Even in the heyday of free trade, 1880–1913, trade in manufactures grew no faster than output.

The success of the industrial negotiation also reflects the fact that the industrial countries have found it relatively easy to adjust to the economic impact of postwar tariff cutting. Adjustment to lower tariffs sometimes involves reallocating labor and capital from higher-cost, import-competing industries to lower-cost, export industries—a process normally accompanied by transitional unemployment and losses to investors. This is especially true of industries producing standardized products. But in the case of industries producing differentiated and specialized products, which today account for the bulk of trade in manufactures, adjusting to new import competition and export opportunities is easier, because it occurs largely within the same industry and often within the same firm.

STEEL AND TEXTILES

Steel and textiles are not usually thought of as similar, but they have common economic characteristics which explain why their tariffs were not cut much in the Kennedy Round—or in previous GATT rounds.

Both industries produce mainly standardized products which compete in international trade primarily on the basis of price. Costs tend to be determined by differences in the cost of the principal raw materials (in the case of steel), or in national wage levels (in the case of textiles).

Textile production is geographically very widespread. Its technology is relatively simple and demand is large, even in low-income countries.

Steel production is also fairly widespread. In nearly all the industrial countries and in

a number of developing countries, domestic demand for steel is sufficient to support local production. And postwar improvements in ocean transport have made it possible for some countries without adequate local supplies of iron ore and coking coal to produce steel at competitive costs.

Thus international competition in steel and textiles is particularly sharp. If trade barriers were greatly liberalized, a number of the industrial countries would face large and politically difficult readjustments in steel and textiles. This is why the Kennedy Round substantially preserved the status quo in these industries. The losers—or non-gainers—are the low-cost producers: Japan, in the case of both steel and textiles, and the more industrially advanced developing countries in the case of textiles.

Each of the "linear countries" also insisted on other, less important, exceptions to the 50 per cent rule. The Common Market's list of exceptions is rather long. Prominent on it are certain products of highly technological industries: for example, electronic computers (other than card-operated machines), automatically controlled machine tools, semi-conductors, and several other kinds of electrical and electronic equipment. The rationale of these exceptions is the so-called technological gap; the Community hopes to encourage the rapid development of these industries in Europe. Encouragement in this form is unlikely to prove very real, however. Tariffs are not an effective means of protecting industries whose products sell more on the basis of uniqueness, reliability and service, than on price.

The U.S. list of items on which tariffs were cut less than 50 per cent consists largely of labor-intensive consumer goods: for example, footwear, hats, gloves, watch movements, glass products and transistor radios. Such industries have a cost disadvantage relative to imports in the high-wage U.S. economy.

CHEMICALS AND ASP

The main industrial countries import and export chemicals in large volume, and their desire to increase exports generally outweighs fears of import competition. Fifty per cent cuts would, therefore, have presented no unusual difficulty if the Common Market had not raised the thorny issue of American Selling Price (ASP).

The American-Selling-Price method of customs valuation applies by law to certain U.S. imports of benzenoid chemicals, mainly dyes, pigments and certain pharmaceuticals. Tariff duties are normally calculated on the invoice value of the imports. ASP requires instead that the customs official determine a domestic U.S. price and then apply the tariff as though the item had been imported at that price. According to a 1966 study by the U.S. Tariff Commission, ASP results in higher duties—in some cases much higher—than conventional valuation for some two thirds of the chemical items subject to ASP. Since rates on benzenoids are rather high anyway, the combined effect of ASP and high rates affords unusually high protection.

The decision of the Common Market to make a major issue of ASP was based more on tactical than commercial grounds. In bargaining terms, ASP was vulnerable. It was not easy for the United States to defend such high protection for this one sector of an industry which has so large an overall stake in trade liberalization. The fact that elimination of ASP would be politically difficult made the issue the more useful, tactically, to the Common Market, itself under strong U.S. pressure on the vulnerable and politically sensitive variable levy system for agricultural imports.

Quite early in the negotiations, the Community demanded elimination of ASP as a condition of reducing many of its chemicals tariffs. It maintained this position almost to the end, making it appear likely that the Kennedy Round would end with no cuts at all in chemicals tariffs. That outcome was averted by a last minute compromise, in which the chemicals agreement was divided into two "packages." In the first package, the United States agreed to cut chemicals duties by an average of 43 per cent; the Common Market and the United Kingdom agreed to cut duties by only 20 and 24 per cent, respectively. In the second package, the United States agreed to ask Congress to abolish ASP; the Common Market and the United Kingdom agreed to make further cuts of 26 and 23 per cent, respectively, if ASP were eliminated.

THE AGRICULTURAL NEGOTIATION

The Common Market's variable import-levy system, covering grains, dairy products and a few other agricultural products, was the main U.S. target in the agricultural negotiation. This system is designed to support a high level of farm prices in the Community. The United States initially sought a guarantee that net imports of grain (mainly from Canada and the United States) would be allowed to reach 15 per cent of the Community's total grain consumption—the proportion of net imports to consumption in recent years. The proposal proved not to be negotiable, however, for it implied a commitment by the Common Market to reduce support prices and restrain production whenever necessary to fulfill the guarantee.

Although the U.S. negotiators stuck to their guns almost to the end, they finally had to settle for an agricultural package consisting of two main items: an agreement to raise the minimum wheat price established under the International Wheat Agreement, and the Community's agreement to contribute one million tons of grain a year (mainly wheat) to a new, multilateral food-aid pool for developing countries short of food. The United States and the Common Market also agreed to cut their tariffs by an average of 25 per cent on less important agricultural items which are protected by conventional tariffs.

The food-aid pool is the most important result of the agricultural negotiation. The financial burden of food aid, which the United States has been carrying virtually alone, will now be shared by other countries, and the Community's contribution will take some grain off the Community's internal market, thereby increasing grain imports from the United States and Canada over what they would otherwise have been.

In appraising the somewhat disappointing outcome of the agricultural negotiation, it must be remembered that in all countries, the United States included, agricultural protectionism has largely resisted liberalization.

THE KENNEDY ROUND AND THE TRADE CLIMATE

The magnitude of the effects of tariff cutting on trade depends on how vigorously businessmen respond to the new import competition and export opportunities created by lower tariffs. If they believe that the lower tariff levels are likely to be permanent, their response will be greater than if they believe that increased imports may cause tariffs to be raised again or new nontariff barriers to be imposed. Just as a firm decides to invest in a foreign country if there is a favorable investment climate and not otherwise, so its willingness to develop a potential export market depends on a favorable trade climate—that is, on a reasoned belief that the conditions of access to the foreign market will probably be no less favorable in the future than they are today.

The sustained downward trend of industrial tariff rates in the postwar period has helped to create a favorable trade climate among the industrial countries. Failure of the Kennedy Round would have been serious, but less because tariffs would have remained at present levels than because business confidence in the future course of tariff policy would have been seriously disturbed. The economic significance of the Kennedy Round is measured not so much by the direct effect of lower tariffs as by the maintenance and strengthening of that confidence.

Nontariff barriers to trade did not figure prominently in the Kennedy Round, although agreement was reached on a multilateral antidumping code and on modification of the so-called road or horsepower taxes on automobiles levied by certain European countries, which discriminate against larger U.S. cars. (The latter is part of the second chemicals "package.") Nontariff barriers are of many kinds. They include formal import quotas on agricultural products, cotton textiles and coal, informal quotas (such as those used to limit some imports from Japan), so-called border taxes, discrimination in government procurement, and a variety of administrative devices and procedures which may be used for protectionist purposes. There is, so far, no international consensus about nontariff barriers. This fact, as well as their complexity and variety, made it impossible to do much about nontariff barriers in the Kennedy Round.

AFTER THE KENNEDY ROUND

The Kennedy Round marks the near-completion of a process of tariff disarmament among the industrial countries which began twenty years ago. When the reductions agreed in the Kennedy Round have been made U.S. and European tariffs on the bulk of manufactures will be in the range of 5 to 15 per cent.

Such duties are modest. But by the same token it may be asked whether they serve any public purpose sufficiently important to outweigh their remaining adverse effect on economic efficiency and living standards. In the case of textiles and a relatively few other industrial products, the economic benefits of eliminating tariffs would probably be outweighed by the resulting disruption of markets. But in the case of other manufactures, free trade—rather than simply freer trade—may soon be the appropriate objective.

Free trade in manufactures in this special and selective sense could be approached gradually in a series of future GATT rounds. It could be accomplished in a series of negotiations limited to particular industrial sectors, as GATT's Director-General, Eric Wyndham White, recently suggested. Or the industrial countries could simply agree to abolish duties on manufactures, with appropriate exceptions, the reductions to be staged over (say) a ten-year period.

It may be too early to contemplate so major a new departure in tariff policy. The battle wounds of the Kennedy Round are not yet healed; the economic consequences are still to be felt. Other, more urgent unfinished business, such as nontariff barriers and trade preferences for developing countries (which gained much less than the developed countries from the Kennedy Round), must first be taken up. Yet if action be premature, consideration is not. The broad study of trade policy recently requested by the President provides an opportunity to consider how far tariffs on manufactures still serve the industrial countries' real interests.

CONGRESSIONAL REFORM: "OLD TRICKS IN CONGRESS"

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, the lack of action in the House of Representatives on congressional reform may not seem to be of great concern to the Members of this body, but I assure you that it is not going unnoticed by the American public and the American press.

One writer who has called attention to the lack of progress on this important legislation is Roscoe Drummond. Some of his articles have been inserted in the CONGRESSIONAL RECORD by me and other Members of the Congress. Recently, my attention was drawn to Mr. Drummond's article entitled "Old Tricks in Congress," which appeared in the September 25, 1967, issue of the Christian Science Monitor. In this article, Mr. Drummond places responsibility for inaction on congressional reform squarely on the House Democratic leadership. This, in my opinion, is where the responsibility belongs.

The members of the Joint Committee on the Organization of the Congress, who were given the mandate in March of 1965 of studying the procedures and organization of the Congress and recommending improvements, have done everything in their power to complete the task entrusted to them, but they are powerless to take any further action in the face of the silent, but determined, opposition of the Democratic leadership to permit the House to work its will on this important subject.

The Democratic Party has a sizable working majority in the House of Representatives and it cannot escape accountability to the American people for bottling-up a bill which would provide an opportunity for the Congress to update itself by the first major overhauling of its procedures and its structure in the 21 years since the adoption of the Legislative Reorganization Act of 1946.

The text of Mr. Drummond's article follows:

OLD TRICKS IN CONGRESS

(By Roscoe Drummond)

WASHINGTON.—The politicians in Congress are up to their old and bad tricks.

This time the Democratic leaders of the House are guilty—plainly and unconsciously guilty—and only a determined and angry public reaction to what is happening can possibly pry the urgently needed congressional reform bill from the suffocation chamber of the Rules Committee.

Here is what has been happening and it has been happening so silently and so slyly that many haven't realized what was being done.

The House Democratic leadership is subverting majority rule by refusing to allow the Senate-passed Congressional Reorganization Act of 1967 to come to the floor.

Unlike Caesar's friends, they are not even praising congressional reform; they are burying it with ceremonies as inconspicuous as possible.

IMPROVED PROCEDURES

At stake is the fruitage of long and careful work by a special House-Senate committee on what most needs to be done to enable Congress to transact the public business more effectively.

It was completely bipartisan.

Its recommendations for improved congressional procedures and practices were unanimous.

Its findings were available to every member of Congress a year ago so there would be ample time for study. The legislation was not introduced until this winter.

The new reorganization bill, after thorough debate lasting 18 days, was passed by the Senate, 73 to 9.

That was six months ago and today the bill lies limp and neglected—by design—in the inner recesses of the Democratic-controlled House Rules Committee.

Well, perhaps not entirely neglected.

The committee permitted one day of hearings, but when it appeared that supporters of the bill were showing themselves too persuasive in expounding its merits, the hearings were abruptly called off.

DENYING VOTE

And the Democrats allowed two other things to happen. They didn't want it said that they were entirely neglecting congressional reorganization so they boldly introduced a measure designed to get better work out of the page boys and guides.

They also had their eye on their own pocketbooks. They carefully drew from the package of reforms the Senate had approved the one dividend they could endorse with enthusiasm—a provision, justified as part of the whole, to pay themselves more expense money for more trips to and from their home districts.

Money for their use, yes; reform of Congress, no.

But things are beginning to stir a little. The Republicans have just reactivated their task force on congressional reform and its chairman, Rep. James C. Cleveland of New Hampshire, is asking the Democratic leaders embarrassing questions in the House. He put it this way the other day:

MINORITY STAFFING

"There comes a time we must ask not only when, but indeed whether, the committee plans to report this bill to the floor. I want to know by what rationale this legislation can be permitted to reside in the dark recesses of the House Rules Committee so long?"

But the nearly all-powerful Democratic committee chairmen know what they want and they don't need any rationale to explain. They want to prevent any cutting back of their historic, dictatorial powers and they are intent upon denying the House the right to vote on reorganization rather than give up anything.

In the interests of enabling Congress to function more efficiently and safeguarding majority rule, the Senate-passed Reorganization Act does vest some of the traditional one-man authority of committee chairmen in the hands of the majority of the members of the congressional committees. And it would guarantee fair minority staffing without which the minority is greatly handicapped.

To the unanimous recommendations of the bipartisan House-Senate Committee on what urgently needs to be done to bring Congress into the second half of the 20th century, the Democratic leadership is giving an arrogant and disdainful no.

I wonder if the voters will be amused.

MR. TAFT REPORTS ON TRIP TO SOVIET UNION

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, the Vietnam war, the Middle East crisis, and efforts for a nuclear nonproliferation treaty are among the issues which have brought the United States and the Soviet Union into varying degrees of contact in an attempt to establish some rapport and search for a key to agreement. However, no notable success has been achieved in any area.

It is therefore reasonable to ask why, and to examine the more constant underlying attitudes of the Soviet Union.

My colleague, the gentleman from Ohio, Congressman ROBERT TAFT, JR., was among three members of the European Subcommittee of the House Foreign Affairs Committee who recently visited the U.S.S.R. They interviewed at length a number of groups of Soviet officials, press representatives, the Moscow rabbi, as well as the U.S. press correspondents and U.S. officials in Moscow, including Ambassador Llewellyn Thompson.

Mr. TAFT returned with personal observations which I feel are extraordinarily perceptive and extremely useful. His conclusions, which I am inserting in the RECORD today for the study of the Members of the House of Representatives, provide an interesting insight into the question of both the present and future relations between our Government and that of the U.S.S.R.

By unanimous consent, I include Mr. TAFT's report at this point in the RECORD:

REMARKS OF HON. ROBERT TAFT, JR., FOLLOWING TRIP TO SOVIET UNION

The current political climate for an improvement in U.S.-Soviet relations is very, very cool. This is the conclusion that must be drawn from the recent visit by three members of the European Subcommittee of the House Foreign Affairs Committee to Moscow and Leningrad.

During the visit of Congressmen John Culver, John Buchanan, and myself, we interviewed at length five different groups of Soviet officials, representatives of two leading Soviet publications, U.S. press corps correspondents in Moscow, Moscow's only practicing Rabbi, as well as several U.S. officials, including Ambassador Llewellyn Thompson. We had incidental contacts with certain other free-world diplomats and a considerable number of Soviet and U.S. citizens. We visited widely in Moscow and Leningrad and observed church services in Baptist, Roman Catholic, and Russian Orthodox churches.

The coolness of our reception by Soviet officials and the limited compliance with requested contacts with top officials seemed intended to hamper achievement of our goals of exploring Soviet attitudes on the Cold War, on Viet Nam, on the Near East, on trade, and on religious freedom in Russia. However, the contacts permitted to us, and those we made ourselves, were sufficient to warrant certain general conclusions.

As I have mentioned, we can expect no thaw in the Cold War in the foreseeable future. Our policies will be concurred in and assisted only when the Soviet hierarchy is of the opinion that some tangible gain to their purposes will be accomplished. There was little if any evidence of different attitudes among others. The Soviet press, echoing the official line, constantly sows anti-U.S. propaganda. One newstand of Russian papers carried no less than four grotesque cartoons of President Johnson throwing bombs at helpless people. In no case did there appear to be any understanding of U.S. positions in the Far East, or indeed in the Middle East. Our policies seemed to be viewed as dominated by colonialism and economic royalists seeking to exploit. On the other hand Soviet

citizens interviewed from Chairman of the Council of Nationalities, Paletskis, down felt that continued Soviet arms supply to other nations was justified and should continue.

At the same time there seems to be a primary involvement of government officials and private citizens with domestic progress, concentrating currently on the 50th Anniversary of the Revolution to be celebrated on November 7th. No one seemed to know just what the celebration will consist of, but all agreed it will be big. In view of this, particularly bitter resentment was expressed to U.S. press and television coverage given to Stalin's daughter Svetlana. This coverage plus reports of small university or other groups in the U.S. staging counter demonstrations on November 7 seemed to be attributed to the C.I.A. and as demonstrating U.S. official policy, dominated by big business. Even such an extreme event as the recent publicity about the American Nazi Party is seized upon in discussions by Soviet officials as demonstrating potential U.S. attitudes.

While much interest is expressed in U.S.-Soviet trade, current world conditions are held out as a bar to progress on it. As put by a representative of the Ministry of Foreign Trade, theoretically we do have the possibility, but it is not practical now. Reasons given are the Viet Nam war, requirements on using 50% U.S. shipping, licensing bans (referring to the Grand Coulee Dam generator ban), longshoremen's boycotts and a failure to grant the most favored nation clause. The Soviets consider they have a number of items we might purchase and they suggest long-term credits repayable in products produced in lieu of capital investments. U.S. participation in an international clothing fair currently underway was viewed favorably, as was a U.S. fashion show in connection with it. While the fashion show was excellent, the very poor and limited display sponsored by our U.S. Commerce Department compared most unfavorably with Poland, France, Italy, and Japan. If we were to participate at all, a better showing should have been required. The present one could only hurt our image by comparison. It is perhaps symptomatic of the very basic question for U.S. trade policy—whether increased trade and development of more consumer-oriented economy in Russia is in our interest and should be promoted. With present hard-core thinking and domination of public thinking there is little evidence that it can help on any basis other than a very long-range one.

Misunderstanding of U.S. thinking is so profound that the Soviets generally seem to believe that an increase in trade with the U.S. can come to dominate U.S. foreign policy through greedy business motives and that this will somehow be favorable to Soviet policies.

Meanwhile there seems to be little evidence of any easing of controls over the Communist society at home. While the proposed Fiat plant will increase considerably the number of automobiles, we were told of little if any planning for parking or highways for the general public. While we were in Moscow another secret writers trial got underway. While religious services we visited were permitted, official disfavor limited them almost entirely to the elderly and to women. The only exception was the Baptist churches in Leningrad and in Moscow. There was no evidence shown us of any variation from total government ownership of property even down to the smallest kiosk or newsstand. The only exception to this came at a collective farm market where private sale of produce and handmade items was permitted. The attitude and salesmanship at the booths stood in marked contrast to all the other markets and stores.

We had considerable discussions with local officials on metropolitan problems such as housing, transportation, traffic and parking, and juvenile delinquency, or hooliganism as they call it. While the volume of new housing is impressive, the quality is not and foreigners joke about many of the buildings becoming "instant antiques", a label they appeared to merit. The prospect of a consumer economy as a wedge toward political enlightenment if it exists at all, seems a dim one. Yet it may be the only course to peaceable transformation.

Finally, a word about U.S. representation in Moscow. The U.S. Embassy staff headed by Ambassador Thompson, a profoundly experienced and wise officer, is doing a most difficult job under frequent harassment. While we were in Moscow another reprisal reaction occurred in the banning of two most capable U.S. officers from the Soviet Union. It was difficult to decide whether to commiserate with or congratulate them.

After thorough study of official notes of the meetings held and analysis of reactions of each of the members and staff, the Subcommittee will prepare and publish a report of its visit and findings. The foregoing, therefore, reflect solely my own views.

LIST OF PERSONS INTERVIEWED BY EUROPEAN SUBCOMMITTEE OF HOUSE FOREIGN AFFAIRS COMMITTEE, AUGUST 29 THROUGH SEPTEMBER 4, 1967

London: U.S. Ambassador David Bruce.

Moscow: U.S. Ambassador Llwellyn Thompson.

U.S. Press Correspondents: Henry Bradsher, AP; Dick Longworth, UPI; Frank Starr, Chicago Tribune; Edmund Stevens, Newsday; Bud Korengold, Newsweek.

U.S.S.R. Foreign Ministry, U.S.A. Division: Korniyenko, Chief; Levchenko Assistant Chief; Sokolikov, First Secretary; Sokolov, Second Secretary.

Mayor of Moscow, Pramishloff.

Ministry of Foreign Trade: Manguloff, Chief of Dept. for Western Countries.

Pravda "Observer": Yuriv Zhukov, Viktor Mayevskiy.

Chairman Yu. I. Paletskis, Council of Nationalities of Supreme Soviet.

Za Rubeshov Magazine: Paramonov, Editor; Rabbi Levine of Moscow Synagogue.

Leningrad: Filonov, Deputy Chairman of Leningrad Soviet.

Helsinki: U.S. Ambassador Tyler Thompson.

Members of the European Subcommittee besides Robert Taft, Jr. were John C. Culver (Iowa) and John H. Buchanan, Jr. (Alabama). They were accompanied by Foreign Affairs Committee staff consultant Marion A. Czarnecki.

THE GROWING NATIONAL CRIME RATE AND THE INCREASED ACTIVITIES OF ORGANIZED CRIME

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. ANDREWS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Speaker, the growing national crime rate and the increased activities of organized crime in our Nation must be of serious concern to all Americans.

The State of North Dakota, I am proud to say, enjoys one of the lowest crime rates of any of our States. However, the people it is my privilege to represent are interested in this national problem, which is the topic of my most recent report to my constituents.

I have unanimous consent to insert this report in the RECORD at this time:

A professional agitator brought two busloads of New Yorkers to Washington recently and led them in a wild—at times violent—demonstration in the House of Representatives Gallery. At least two policemen were injured (one was hospitalized) and seven of the rioters were hustled off to a nearby police station. Almost within the hour, a local judge released them on $10 bonds—the same penalty levied for double-parking in the District of Columbia.

It is strange indeed when law enforcement officials are given virtually no backup by the courts of this land. Time and time again we read of the confessed murderer or rapist brought to jail by hard working police officers, only to be turned loose when some clever attorney is able to convince the courts that his confession was given in an improper fashion.

The technicalities of the law all seem to be interpreted in favor of protecting the rights of the person who commits the crime, rather than the individual who is the victim of the crime. While violence and robbery are a nation-wide problem, it is one that can and should be solved at the local level by encouraging and backing up our law enforcement officials.

Individual criminal action, however, is in many cases the stepchild of organized crime, which is a national problem requiring a national solution but getting little, if any, attention from this Administration which has allowed the Eisenhower and Kennedy war on organized crime to grind to a virtual halt.

Figures developed by my Appropriations Subcommittee, which funds the Justice Department—including the FBI—point out graphically the fantastic indifference shown by the Justice Department under Attorney General Ramsey Clark in what they are doing to handle the increase in organized crime. With crime on an upsurge you would necessarily think that the Department of Justice's work level would increase correspondingly. Just the opposite has been the case.

Another strange statistic at this time of sharply increased crime is the fact that the average annual Federal Prison population has declined by nearly two thousand convicts during the past two years.

When Federal Prison System Director, Myrl E. Alexander, testified before our 9-man Subcommittee, I asked him: "Is it true that the crime rate in this country is increasing?"

Mr. ALEXANDER. I think so, yes.

Mr. ANDREWS. Why, with an increase in the crime rate would we have the lowest prison population in years?

Mr. ALEXANDER. I cannot be a total expert in answering this question. First of all, there is increasing use of Federal probation, which over the past 5 or 6 years has accounted for a substantial part in the reduction of our prison population.

FBI Director, J. Edgar Hoover, told our Subcommittee what happened as a result of turning these prisoners loose prematurely. He said:

"At the close of the calendar year 1965, an examination of the 135,000 individual records which had been entered in this program disclosed that three of every four were repeaters in that they had a prior arrest on some criminal charge. Over one-half of these criminals had been the recipients of lenience in the form of parole, probation, suspended sentence, or conditional release on one or more occasions in their criminal careers."

The results of the Johnson Administration's relaxing the fight against crime are, of course, evident. The national crime rate in 1966 was 22% higher than in 1964!

This is the situation which prompted a number of my colleagues and me to issue a joint statement (*New York Times—August 29*) calling for specific administrative and legislative action. We pointed out that Congress has been asked for $2.06 billion for the War on Poverty in fiscal 1968—about one-

third what the profits of organized crime from gambling will be during the same period. Certainly, it is the height of hypocrisy for government to extend a promise of help to the poor, but give only lip-service to an all-out war on organized crime of which the poor are the prime victims; and not only the poor, but all America suffers from this strange slowdown in the fight against crime.

We are now finishing work on a number of bills, legislation aimed specifically at battling organized crime and corruption. Some of the recommendations were based on the work of the President's own National Commission on Law Enforcement and Administration of Justice—a worthwhile study strangely ignored by President Johnson. They include:

(A) An expansion of the staff of the Organized Crime and Racketeering Division of the Justice Department.

(B) Financial assistance to encourage the development of efficient systems of regional intelligence, gathering, collection and dissemination.

(C) An abolishment of the rigid two-witness and direct-evidence rules in perjury prosecutions.

(D) Extended prison terms for convicted offenders who occupied management or supervisory positions in illegal businesses.

(E) The establishment of residential facilities for the protection of witnesses who request it.

(F) The creation of a carefully guarded central computerized office into which Federal agencies would feed all of their organized crime intelligence.

(G) The establishment of a permanent joint Congressional Committee on organized crime.

(H) Make it a Federal crime to coerce or threaten a person who is willing to give vital information.

(I) The prohibition of the use of wiretap and eavesdrop devices by the Federal government *except* in cases specifically requested by the Attorney General and approved by court order.

(J) Anti-trust legislation designed to curtail organized crime operations.

We hope public opinion will aid us in prompting the Administration and Democratic leadership of Congress to give immediate attention to these proposals so vitally necessary in our nation today.

GREAT BRITAIN INDICATES THEY WILL CONTINUE TRADING WITH CUBA

Mr. SCHERLE. 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 Iowa?

There was no objection.

Mr. KLEPPE. Mr. Speaker, in the Washington Star last night I noticed another statement from the British Government indicating that they will continue trading with Cuba. This stand was reiterated the day before yesterday in response to the call by the Organization of American States for a global trade embargo against Cuba. Great Britain has said that they are "opposed in principle to economic warfare."

My observation here is that many times in the past—and I am sure many times in the future—Great Britain has been and will be knocking on our door seeking economic advantages, and in so doing will consider the problem of economics to be a one-way street. Maybe they have been driving on the wrong side of the road for too long. I believe our State Department should suggest to the British that economic problems are a two-way street. There is no time like the present to take action, to finally determine where our friends really are.

"IT'S GETTING NOISIER," BY CARL DREHER

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KUPFERMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, it is a rare day indeed when the Nation magazine, published in my district and known for its strong liberal views, and the Chamber of Commerce of the United States, a bulwark of business and capitalism, can find an area of agreement.

This they have indeed done in their mutual concern on problems of the environment.

Yesterday, September 27, in the CONGRESSIONAL RECORD, at pages 27008–27015, I reported on the National Chamber of Commerce symposium, in which I took part, on the problems of noise.

I am now happy to bring to the attention of my colleagues the very fine article entitled "It's Getting Noisier," by Carl Dreher, which appeared in the Nation of September 18, 1967, at page 238:

IT'S GETTING NOISIER

(By Carl Dreher)

When President Johnson proclaims that overloading with noise "is without precedent and poses a serious threat to the health and welfare of mankind," we know in our ears and nerves he is right. When Rep. Theodore R. Kupferman says that noise detracts from the quality of our lives as does a filthy street or a polluted stream and that we have no right to call ourselves civilized unless we do something about it, few will disagree (but fewer still will easily surrender their own right to make noise for profit or pleasure). All abuse of the environment is like that.

Not that noise is entirely a modern affliction—Don Quixote's frightful adventure with the fulling hammers shows it isn't—but in our time it has grown to monstrous proportions. While the noise level has been rising steadily, counter factors, such as distance and physical barriers, have been weakening. And instead of striving to narrow the gap between information on noise control and its application, we have allowed it to widen. Public resentment will eventually reverse this trend, but in the meantime it is each for himself and the devil deafen the hindmost.

A little acquaintance with the physics of sound is necessary both for acoustic self-defense and effective social action against noise. Sound, whether objectionable or otherwise, varies in power over an enormous range. Standing near the tail of a jet airliner with all four engines roaring, a person has his eardrums assaulted with a pressure a thousand trillion (1,000,000,000,000,000) times greater than the minimum sound he can distinguish against a silent background (an approach to which is to be found only in the laboratory). Since acousticians, and engineers dealing with electronic reproduction of sound, have better things to do than write zeroes, they borrowed from the Bell Telephone Laboratories the decibel (db), a unit so useful that it is now coming into vernacular use. It is a tenth of a bel, named, with the final l dropped, after Alexander Graham Bell. An appropriate memorial: before he invented the telephone, Bell was a teacher of the deaf.

Decibels are used in calculations of power, of pressure (the response of the ear is proportional to pressure) and for many other technical purposes but, however applied, a decibel is just a logarithmic ratio. Logarithms afford a rapid means of multiplication by addition and division by subtraction (a slide rule does it mechanically) by means of which the cumbersome number cited above can be written as 10 to the fifteenth power (10^{15}) or, still more conveniently, 150 db. The whole vast range of sound volume is thus compressed into an easily manageable compass.

The accompanying graph shows the db range, from minimal perception of sound by young, normally sensitive ears, which is taken as zero, to the output of a siren that is rumored to be the latest exotic weapon for use in Vietnam. It has been compiled from a number of sources which do not agree precisely and is intended only to give a general idea of the magnitudes involved.

Besides their use in arranging sounds in ascending order of physical strength, decibel ratings help us to assess the subjective magnitude of changes, up or down. While there are important complicating factors, such as pitch, lowering the level of a sound by 2 db will be just about noticeable, a drop of 10 db will be significant, while a reduction of 20 to 30 db will generally eliminate a noise that was previously disturbing. The reason is again logarithmic—a 30 db reduction corresponds to a pressure reduction on the ear of 10^3 (1,000) which is obviously considerable. Conversely, a rise of 10 db may change an unobtrusive noise into an annoying one. In another application, building structures, such as walls and floors, may be rated in db for their ability to cut down noise.

Noise can damage hearing in a number of ways. Blast trauma that ruptures the eardrum or disrupts the chain of small bones that transmit sound within the ear is exceptional, but occupational deafness is common and has assumed great importance in the field of industrial hygiene. It was well established in the 19th century that blacksmiths, boiler makers and other workers in noisy surroundings tended to become hard of hearing earlier in life than other people. With increase in industrial noise and recognition of the principle that employees are entitled to compensation for injury incurred in the course of work, this type of disability has increasingly concerned management and labor. What with the differences of individual tolerance and the difficulties in measuring complex types of noise, quantitative standards are not easy to set up, but the need is as obvious as for speed limits on highways.

Leo L. Beranek, a leading acoustical engineer, observes that men of 30 who have been exposed to a work environment with an average noise level of 90 db for periods as short as ten years, may have hearing as impaired as men in their 60s and 70s who have worked in a quiet environment. The danger limit for most individuals is somewhere between 80 and 85 db. The U.S. Air Force, the largest single employer with an inescapably noisy environment for much of the personnel, has settled on 85 db, in the frequency range important for speech intelligibility, as the level where ear protection is mandatory. Investigation has shown, however, that some degree of hearing loss may occur at levels around 80 db, which is well below many of the levels commonly encountered under all sorts of contemporary conditions.

The existence of these community noise levels means that few people, especially in cities, can escape harmful exposure, and

since more and more of us live in cities, or in suburbs which often are just as noisy, the incidence of noise-caused deafness is pretty sure to increase. For the past thirty years the noise level has been increasing at the rate of 1 db a year. In general, noise varies with the power of the source, and some of the increase is attributable to a horsepower race which, unfortunately for our hearing, is not confined to automobile designers (who, unlike some other machine designers, at least make some efforts to reduce noise). The typical self-propelled power mower of fifteen years ago was driven by a 1-horsepower gasoline engine. Now, even "economy" and push models are equipped with 3 or 3½ H.P. engines, and some householders with a total lot area of 1 acre acquire prestige among the neighbors and help to deafen them—with riding mowers or tractors that may develop as much as 12 H.P. Indoors, where sound is reinforced by reverberation, vacuum cleaners boast of electric motors rated at more than 2 H.P.; less than 1 H.P. is exceptional. In the kitchen, with an exhaust fan, dishwasher and garbage grinder going simultaneously, it is said that the noise level may reach 100 db.

High fidelity music reproduction affords another example. A stereo amplifier for home use will commonly be advertised as producing 120 watts, or 60 watts of audio power per channel. The advantage is supposed to be that momentary peaks will be accommodated without distortion, but since the acoustic output of a 100-man symphony orchestra seldom rises above 10 watts, and modern loud-speakers are quite efficient, it is hard to see what anyone can legitimately do with such power in a living room.

Surface traffic is a major noise producer not only in the cities, where it is taken for granted, but within a band hundreds of yards wide along every express highway. Since intercity expressways extend for hundreds and thousands of miles, acoustically they bring the city to the country on a formidable scale. Every time an interstate highway is extended, we witness not only the destruction of houses in its path but the engulfment by noise of a far greater number of residences whose occupants had previously enjoyed a measure of quiet. There is compensation for property that is condemned for a road, but none for the loss of a peaceful environment.

City subways and rail lines are another source of high-level noise. The San Francisco Bay Area Rapid Transit District, the Montreal subway and a few other urban-suburban railroads have taken pains to reduce noise, but most of the major systems, like that of New York City, seem to be operated on the basis that noise is unimportant. Well-known, perfectly feasible engineering measures to abate noise are regarded as a refinement to which the users of public transportation are not entitled.

Fortunately the exposure of the individual is intermittent, and people vary in susceptibility. This is true also of those exposed to occupational noise: some come through with unimpaired hearing, while others suffer rapid deterioration and should be taken out of this kind of environment before irreversible damage is done. However, there is now convincing evidence that millions of Americans sustain ear damage, usually without knowing it, from a high general noise level. Dr. Samuel Rosen and others have made audiometry measurements on Mabaan tribesmen, who live in an exceptionally quiet desert region in the southeast Sudan. The majority of Americans (men somewhat more than women) suffer severe hearing loss at the higher frequencies in old age, while the Mabaans show the same acuity of hearing at age 75 as the average American at age 25. The elderly American hears speech, but guesses at the meaning. He misses the low-energy fricatives (f, th, ch, etc.) and consonants that are essential for intelligibility. These researches cast doubt on the concept of "normal" loss of hearing and indicate that those who already have some hearing loss should expose themselves as little as possible to loud noise.

Noise is also charged with causing emotional and physical illness. Dr. Rosen has probed a possible correlation between noise and coronary heart disease, which is as rare among the Mabaans as deafness, but their lives are so different in all respects from those of Westerners that the evidence is only suggestive. Constant interference with sleep is certainly harmful but, again, individual susceptibility varies. The same is true of reaction to low-level noise. Dr. Beranek points out that while some people are able to live happily next to elevated railroads, trucking routes, airplane flight paths and other racket-making sources, at the other extreme there is a group that seem to be disturbed by any noise, however faint, that is not of their own making. Interviews elicited the fact that these people were dissatisfied with other features of their surroundings as well.

Boosting the ambient acoustic field by increases in household motor size, high-speed roads, faster aircraft, etc., is one way in which a mere nuisance may be converted into a menace. Yet noise is by no means the most intractable type of pollution. One saving feature is its local character. Even thunder, an extremely loud noise at close range, dies away at a distance of 12 miles at most. Like other forms of radiation, sound in the open is subject to the inverse square law: double the distance, and the intensity drops to a fourth. The waves also bounce back from barriers and are attenuated as they pass through. But as air and surface vehicles multiply in numbers, speed and power, distance becomes less of a protection; at the same time modern building construction tends to transmit noise, whether from the outside or from room to room, to a greater extent than pre-World War II construction.

There is no question that modern building practices incorporate many improvements, but protection against noise is rarely one of them, despite the fact that from an engineering standpoint it is more readily available than ever before. Efforts have been made to cut down on noise, especially in one- and two-family housing, but the results have been poor. The situation is summed up in a survey in *House and Home* (December, 1966): "What ever became of the big noise about the Quiet Home?" The story begins: "Few merchandising ideas ever looked more promising than did the Quiet Home in 1963." The second paragraph ends: "What happened? Is the Quiet Home dead and buried?" The post-mortem that follows is thorough, and gives some promise of limited success in the future. It points up an important fact: much of our affliction with noise is due, in more senses than one, to people.

A typical experience is that of a leading Southwest building firm, Fox & Jacobs of Dallas, which centered a major promotion around anti-noise construction. Spending considerable money on research and development aimed at applying existing acoustic knowledge to medium-priced houses, they evolved a sound-conditioning package costing roughly $500 for houses in the $13,000 to $35,000 range. They sold just four Quiet Homes. Other builders had the same experience. N. P. Dodge of Ohama summed it up in 1966: "We were very disappointed with the public's reaction. This thing has no sex appeal whatsoever. People are interested in price; the average buyer—of homes, say, in the $30,000 range—has only a nominal interest in quality."

The National Association of Homebuilders, in cooperation with manufacturers of acoustic materials, has switched the promotion from "Quiet Home" to "Quiet Living" or, more specifically, "Quiet Room," which costs about $200, or somewhat more for zonal quieting. They are also resorting to an indirect or "piggyback" sales appeal involving rooms for specialized functions—a study center, a teen room, a pre-schooler room, a party room, a home gym, an arts-and-crafts room, in the hope that these gaps "will be distinctive enough emblems of newness and status to entice prospects." When a prospect shows interest, the salesman points out the indispensability of sound-conditioning if the study center and the home gym, for example, are to coexist.

If, to the average home buyer, noise control is a luxury subordinate to bathroom lighting fixtures in gold finish or a double oven in the kitchen, noise in the apartment house may turn out to be a menace to both tenant and landlord—although usually neither realizes it until too late. It is a fact that the cold-water flats of the 19th century were built better, acoustically than many of the luxury apartments going up today. It was not that the landlords and builders were solicitious for the tenants, but the builders were limited both in their knowledge and their choice of materials. They knew only one way to construct a partition: full-size two-by-four studs to which was nailed wooden lath, and over that an inch or so of plaster. The result was a heavy structure which blocked sound pretty well: unless the neighbor was beating his wife, the chances were the slum tenant would not be too much disturbed.

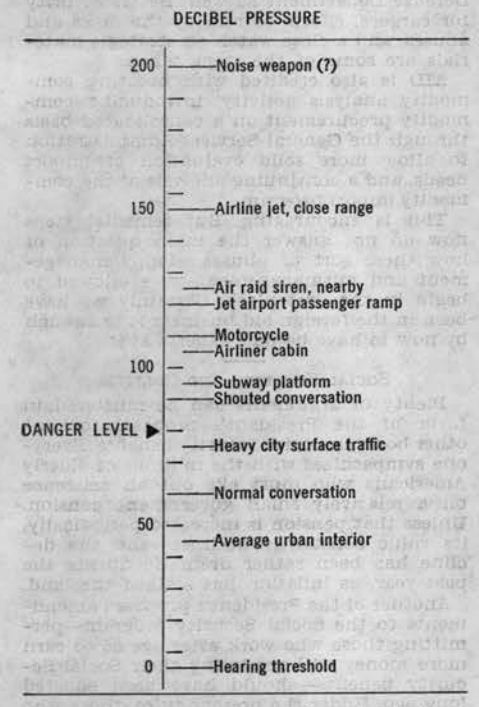
As for luxury apartments of the twenties, acoustically, and in some other ways, they are today real treasures. One big New York builder estimates that if the typical apartment house of this class were to be duplicated today, the tenants would have to pay rents of about $1,000 per month per room. I think this is exaggerated, but it gives some idea of the deterioration in building standards. The same expert points out that European noise-control standards are higher than ours. As far as is known, nowhere in the United States does a local code (there are 6,000 of them) specify any degree of noise control. It is a matter left entirely to the builder and he along with the banker who provides the mortgage loan, is concerned primarily with keeping down already inflated costs. New York City is at present considering a code which would stipulate 45 db reduction from one room to the next, and between floors. This is the standard now required by the Federal Housing Administration homes for which it provides a mortgage guarantee. It is inferior, however, to the 56 db prescribed for Grade I structures in Britain, and even to their 51 db for less expensive Grade II housing. The Netherlands, Sweden, Germany and the USSR likewise have up-to-date acoustic codes.

When the plasterers in New York City urge in subway advertising, "Keep New York plastered!" and inveigh against wallboard, they have a good case as far as it goes. Light sheet material on aligned studs will produce a partition that lets through TV sound and even normal conversation. Plaster is heavier and stiffer and blocks sound better. However, a serviceable partition can be built with wallboard if the studs are offset, so that there is never a direct path from one side to the other, and the interstud space is filled with soft insulating material. In general, sound insulation is the same as thermal insulation; there is no particular mystery to the art of keeping sound in its place of origin.

Some anti-noise measures, such as floating floors and hanging ceilings, do entail extra expense; others do not, or at least very little. For instance, weather stripping on inside doors (sound passes through cracks) is not a costly item, nor does the builder save significantly when he allows the electrical contractor to install outlets back to back, providing an acoustic path from rooom to room. If the rooms are in adjacent apartments, so much the worse. Bathroom medicine chests

back to back are likewise indefensible. Overall, good acoustic design need not raise the cost more than 5 per cent.

As renters grow more critical, new construction will be forced to meet higher acoustic standards, and rents in buildings of poor construction will decline—but hundreds of thousands will still be forced to put up with annoyance which could have been easily avoided in the first place. As yet, few prospective tenants take the obvious precaution, in a new house which is still largely vacant, of playing a transistor radio at high volume in the adjacent apartment (but the squeaky sound tells nothing about transmission of low tones) and walking on the floor above, while someone checks on the sound getting through. In an occupied house, a visit in the evening will often reveal reasons for not renting that were not apparent during the day. Of course, for anyone buying a cooperative apartment investigations of this kind are even more advisable.



More publicity has been given to airplane noise than to any other kind, but relief is a long way off. Despite countermeasures, the prospect is for further deterioration in most areas. Jets produce a higher pitched, hence more disturbing noise than propeller-driven aircraft, and there are going to be more and more jets. The Federal Aviation Agency predicts a doubling of passenger volume in the next five years, and a ninefold increase in small jets, which, in proportion to power, are the noisiest of all.

The seriousness of the situation is appreciated in high quarters and some extremely competent people are working on it, particularly in the Office of Science and Technology which advises the President, and in committees reporting to it. But, as Nicholas E. Golovin, a member of the OST staff, points out in a paper on "Alleviation of Aircraft Noise" (January 1967, *Astronautics and Aeronautics*) it is extremely difficult to compromise among the conflicting interests of airplane manufacturers, airline and airport operators, pilots and communities—which themselves often contain warring factions and are by no means united behind the homeowners directly under the flight paths.

Some of the latter had no choice, but some have themselves to blame, as well as the tract developers who got them into this bedlam. Anyone who contemplates buying near an airport should make it his business to sit in the living room during the 5 to 7 P.M. rush hour, when the air and the runways are filled with aircraft landing and taking off, and on the terrace almost any time. He will then have some idea of what he is letting himself in for.

One story that can lead only to melancholy reflections concerns a housing development close to the John F. Kennedy airport, New York's largest. When the homeowners organized to combat the noise, the FAA noise abatement officer asked if they had not been aware of the problem when they bought. The indignant owners explained that the sales agency had told them that the airport would close down the disturbing runway as soon as the area was developed. It never occurred to them that, since Kennedy is ringed with developments, on this basis the airport would soon be out of business, nor did they think of checking with FAA before signing the contract.

To end on a note of relative cheer: the chances are that the supersonic transport will *not* make the situation worse in the vicinity of airports. Whether the SST is a good thing is a moot question, but the economic stakes are so large that the heat is on the design engineers on no account to increase take-off and landing noise. These efforts will probably be successful. They had better be.

The sonic boom is another, quite separate question, but here again a note of optimism is justified. Unrestrained, the SST could change noise from a local phenomenon to one of nation-wide proportions, as the aircraft streaked from coast to coast, laying down sonic-boom "carpets" 50 miles wide across the country. [See the recent three-part series by Karl M. Ruppenthal, *The Nation*.] But this will not happen. If the boom turns out to be seriously disturbing, by the time the prototype is built public resentment will collide head-on with the project. Some experts believe that by modifying the shape of the aircraft to reduce drag and hence the force of the boom, it can be kept within tolerable limits. If they prove wrong, there is little doubt that the SST will be barred from overland use. The economic consequences would be serious, but the public relations problem would be even worse. Either the technical problem will be solved, or the SST will be the first major casualty of the anti-noise movement.

NATIONAL PROBLEMS CONSTRUCTIVELY EDITORIALIZED

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. GARDNER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GARDNER. Mr. Speaker, the local newspaper in my hometown of Rocky Mount, N.C., has a very fine editorial page that points out to its readers the problems that should be of concern to every citizen of our country, and offers much constructive thinking concerning these problems. I am having a number of these editorials from the Rocky Mount Telegram inserted in the CONGRESSIONAL RECORD, in order that all Members of Congress might have an opportunity to read them also:

THE THREATS VERY REAL

You hear a lot these days about "building bridges" to China, cultural exchange programs with the Reds, giving U.S. wheat to the Peking government and peaceful coexistence with the vast Communist bloc. Behind it all, the movement grows to get Red China admitted to the United Nations. It is part of the same movement to persuade the U.S. government to abdicate its commitments to the free world, pull our troops out of Viet Nam and dismantle the North Atlantic Treaty Organization.

The whole idea is that Communism is only an abstract doctrine and does not really pose a threat to the peace and freedom of the world, and that this doctrine has as much right to be heard as any other. It's the same kind of line you hear from those who want Communist speakers on campus.

When one hears these preachments, he may be sure that virtually the opposite is true: Communism is a deadly threat and it is no abstract doctrine. As for getting Red China into the United Nations, Dr. Walter Judd of Minnesota, former member of the U.S. House and a medical missionary to China for 10 years, charged recently that the admittance of Red China to the U.N. would bring that organization "down to the level of gangsters" and enable the Chinese to spread the malignancy of Communism more easily.

Speaking at a conference of doctors and lawyers at Lake Junaluska last week, Dr. Judd warned that the U.S. should do nothing that would strengthen the Red Chinese position. Specifically, Judd warned against any trade with mainland China. Yet, the administration is flirting with the idea of shipping vast quantities of American wheat to that country.

It would be one of the greatest mistakes possible in waging the cold war. "Overall, there is a vast disenchantment with Communism, especially in the newly independent countries," Judd noted. But to help the Communist bloc economically would enable it to continue its goal of conquest. Why should we, therefore, provide the sinews for our own conquest? It doesn't make sense, but that is what we and other free nations are doing.

As Dr. Judd points out, there is something wrong with the system of Communism. It does not gear in with the nature of man. Every time we stand firm it has led to an improvement of the situation. By standing firm and refusing to aid the Communist bloc we are helping to wither it.

Judd believes that Communism might disintegrate faster than many think if it were shown to be a "paper tiger." Judd is one of those who has not fallen for the current popular idea that China is more dangerous than the Soviet Union.

The Russians have issued conciliatory words but not one deed indicates the slightest deviation from their basic objective of world domination. A lot of people get bored when you speak of the Communist threat. But the Communists profited enormously by the mistakes of the Germans and Japanese in the last war. The shocking, devastating attacks by the Axis united the dissident American factions as nothing else could have.

But the Russians are not making that mistake. They are patient; they look to the long haul. They provoke us just enough with small wars—"brush fires"—to keep us engaged in local situations, like Korea and Viet Nam, creating a costly drain on resources and manpower. But the Russians invest practically nothing except some small material support.

They can go on in this manner, keeping the pressure on us in some far corner of the earth, dividing the American people, creating doubts, friction, dissent. That is what they are doing. Yet, always in the background is mighty Russia, capable, armed to the teeth, making just enough conciliatory remarks for world consumption about peaceful coexistence.

How, then, can anyone believe the hogwash about abstract Communism, about brotherly love in the United Nations which "ought to have" Red China as a blood-

brother member, about shipping our material resources to aid the enemy in his time of economic blunders, and above all—the insanity proposed time after time by the Fulbrights and Morses and Kennedys about sitting down at a peace conference with the aggressors and hoping for an honest-to-goodness peace deal that would be fair to one and all?

WHY ANARCHY IS ON THE RISE

One of the favorite dodges used in excusing the anarchy in the streets is that more employment is necessary. It is getting rather tiresome to hear that more jobs are needed to keep the looters and snipers off the streets. In the San Francisco anarchy last week, that excuse was immediately seized upon. More jobs are now being scrounged for the lawbreakers.

The sure-fire explanation that all that is necessary to keep the rioting down is more costly poverty projects. The story goes that the underprivileged, their backs to the wall, are in desperation picking up bricks, intuitively knowing how to fashion Molotov cocktails, somehow getting hold of expensive guns and ammunition, and rioting for their rights.

This approach has a great deal of appeal. The ultra-liberals believe it. Those who doubt it are caught up in their natural regard for the underdog. Perhaps, in some cases, these are the facts. The riots are also blamed on recent migrants to the big cities, who found woe instead of the promised land. Usually the migrants "are from the South."

An investigation of the worst riot of them all—in the Watts area in Los Angeles—brought some startling facts to light. The press hasn't given them much play. The Dallas Morning News points out that a report by the California State Bureau of Criminal Identification and Investigation released histories on a third of the 3,371 adult rioters arrested during that week-long brawl.

Its findings? Almost half of the arrested rioters were far from being illiterate. Thirty-two percent of them were high school graduates; almost 12 per cent had additional schooling.

Unemployed? Seventy-three percent of the rioters handled by police were employed full time, 30 per cent in skilled jobs, eight per cent in sales or clerical work.

About 49 per cent of the 1,057 in the study earned from $200 to $400 a month, and 22 per cent earned $400 or more.

Migrants? A full 75 per cent arrested lived in Los Angeles County at least five years, only six per cent less than a year.

The Dallas paper points out that these facts show the average Watts rioter was an employed Negro male who had lived in Watts for five years and had at least part of a high school education.

What caused these people to turn from constructive community work, from activity in civic projects to burning buildings? One reason: the federal government, by its policies of regarding demonstrations and rioting as "non-violent protests"; high government officials by their statements which seemingly condone lawlessness as an instrument of protest; the sheltering by federal officials of civil disobedience; the protection of rioters—while seemingly ignoring those whose property is destroyed or who are the victims of the mobs.

Violence is curbed when punishment is swift, just and full. Violence is unleashed when national leaders make speeches offering to lead riots themselves, and say they don't blame the rioters a bit. Then, when federal forces arrive to back up the rioters, who can blame them for turning loose the violence that lies within nearly everyone at some time?

THIS IS GOOD BUSINESS?

Republican congressional leaders are on sound ground when they demand that President Johnson stop "trafficking" with the Russian and other Communist nations. "If dealing with the enemy, who are dealing in nothing but death to Americans in Viet Nam, is good business, then truth and honor have indeed been perverted beyond recall by this administration," declared GOP House Leader Gerald Ford.

He recalled a speech Oct. 7 in which Johnson noted new U.S.-Soviet cultural and air agreements and announced new steps to expand trade with the Soviet bloc. Johnson was quoted as calling this "good business." For whom? Certainly not for this country.

In a move to promote more trade with the Reds, the administration has eased export restrictions on a wide variety of goods which it termed "nonstrategic." Apparently that phrase is a matter of interpretation. It is difficult to term as anything but strategic such items as chemicals, machinery, ignition equipment, paraffin and metal manufactures.

Yet, the administration makes much of such items as mayonnaise, popcorn, corsets, hog troughs and the like. And probably not listed at all are a whole string of highly strategic items which can boost the enemy war potential tremendously.

"Until the Communist world convinces us by act, not by word, that it not only seeks peace but it will so act to preserve peace among men, we will not be a party to any deal, any agreement, any arrangement, any treaty with Communists anywhere in the world," Ford said. Any such increase in trade with the Soviet should be used as a bargaining point to get the Russians to stop shipments of war goods to North Viet Nam.

Russia has been supplying in increasing volume the weapons and ammunition that are killing American troops. As those GIs are dying, the Soviet Union announces an enormous further increase in its economic and military aid to the Viet Cong and the North Vietnamese.

If that is good business, then Washington is using a different yardstick than the one most Americans are accustomed to using.

CORRECTING OUR AID ABUSES

Conducting the war in Viet Nam under the best of conditions is difficult enough. But when sloppy or careless administration is evident, then the effort of our troops is all the more seriously hampered.

Mismanagement of our economic assistance to South Viet Nam has been severely criticized in a report by the House Government Operations Committee. The report declared that such "unconscionable" mismanagement had made economic aid a device for graft and corruption, black marketing and a source of supply for the enemy.

The disturbing thing about the situation is that no single agency is to blame, but several. The Government Operations Committee takes to task the State Department, the Defense Department, the General Accounting Office (which is supposed to watch-dog for such activities), and the U.S. Information Agency.

These agencies were criticized for the "general abdication of responsibility for the audit and inspection of United States programs in Viet Nam for many years. That is a serious indictment, yet indications are that it is deserved.

Still another agency received even heavier blame—the Agency for International Development (AID) and its mission in Saigon. This was accused of having left unmanaged, unaudited and without concern its commercial import program under which some $420 million in consumer items was pumped into the South Vietnamese economy during the past year.

The report by the House Government Operations Committee charged that large amounts of aid shipments had been diverted to the Viet Cong. It was estimated by the deputy director of the Saigon mission that as much as 60 per cent of the aid is diverted from the purpose for which it is intended.

It is, of course, fantastic that something like this could be allowed to happen in the first place. But it is almost unbelievable that the activities could be permitted to continue. Certainly someone knew about it.

The deputy director also stated that he had circumstantial evidence that some of the aid went to Cambodia, Thailand and even Communist China. It is obvious that if this is the case, it is part of a well-organized move.

The House committee report lists testimony from other members of the Saigon mission that quantities of iron and steel mill products, industrial machinery, cement and chemicals exported by AID were so great that the economy of South Viet Nam could not absorb them.

Some steps have been taken to correct the situation, not only by AID, but also by the Defense Department as well. Better security for cargoes, efforts to remedy the leaks and abuses, and a close watch on strategic materials are some of the steps taken.

AID is also credited with boosting commodity analysis activity, introducing commodity procurement on a consolidated basis through the General Services Administration to allow more solid evaluation of import needs, and a continuing analysis of the commodity import program.

This is encouraging. But remedial steps now do not answer the main question of how these sort of abuses, sloppy management and mismanagement were allowed to begin in the first place. Certainly we have been in the foreign aid business long enough by now to have become experts at it.

SOCIAL SECURITY AND POLITICS

Plenty of arguments can be mustered in favor of the President's proposal for another boost in Social Security benefits. Everyone sympathizes with the millions of elderly Americans who must eke out an existence on a relatively small government pension. Unless that pension is increased periodically, its value constantly declines—and the decline has been rather dramatic during the past year, as inflation has stalked the land.

Another of the President's proposed amendments to the Social Security program—permitting those who work after age 65 to earn more money without losing their Social Security benefits—should have been enacted long ago. Under the present rules, those who want to supplement their meager government pension by gainful employment are penalized for taking this initiative.

Besides, most of those who collected Social Security benefits have paid for them in the form of taxes. In fact, as a recent study by the Tax Foundation revealed, anyone who spends a lifetime working and paying Social Security taxes will have paid into the program $13,000 more than he can expect to withdraw from it. At that rate, why should anyone be penalized further by losing even more of his investment, simply because he is industrious?

The cost of the President's proposed package of Social Security benefits is expected to add $2.2 billion initially to the annual federal budget. Unfortunately, this will only add to the vicious inflationary spiral and may inevitably wipe out whatever gains the increased benefits will provide.

It should be recalled that Social Security benefits were increased by 7 per cent only a year ago. Has the value of that increase already been wiped out by the forces of inflation? Will the next boost of 10 per cent be erased as quickly?

The timing of the President's announcement, of course, could not have been better—from his political standpoint. It should be obvious that he expects to gain dividends by promising just four weeks before a na-

tional election to increase the income of some 23 million Americans (almost half the number of citizens who will cast ballots on November 8).

The increased taxes to pay for these new benefits won't be levied until well after the votes are counted, and the new benefits themselves won't go into effect until 1968—another election year. Nevertheless, the President couldn't wait to announce his plans.

By way of contrast, consider the fact that for months Mr. Johnson has postponed a decision—or the announcement of a decision—on whether or not to ask for a general tax increase or curbs on wages and prices next year or both. These, of course, would be politically unpopular; hence they can be postponed until after the election.

The Social Security hike may be worth millions of votes; its pre-election unveiling is thus a political expedient.—Richmond Times-Dispatch.

GUARANTEED WAGE INDEFENSIBLE

By no amount of economic gymnastics can the proposed guaranteed annual wage be justified, although there are economic and social planners in the Great Society who are trying to make a solid case for just such a program.

The major question is what the effect on the nation's economy would be. It takes no professor to realize that if the government tries to give every family a minimum wage—free—of $3,000 per year, that more money will be required to finance such a spree.

And, of course, the money will have to come in the form of taxes—and these taxes will have to come from the peole who already are working and paying through the nose. If more is taken from them, that means they will be deprived of money to buy more goods themselves. The economy will be pinched accordingly.

There is another problem in this country. There are millions of jobs available, like car washing, grass cutting, and others which provide substantial sums of income for those willing to get out and get it. But it is likely that if a person is guaranteed $3,000 a year from Uncle Sam, he won't go out and cut grass, or paint fences or whatever he's been doing.

These available jobs are going begging even now, despite the high levels of unemployment the government keeps complaining about. If people are to be paid for not working, they certainly won't work. And what's to keep them from moving to the swank resort areas where they can enjoy their guaranteed annual wage in more style?

The fact of the matter is that those who would benefit by a free federal wage of $3,000 a year represent a potentially tremendous pressure group—not necessarily a minority, because their ranks would grow and grow, continually pressing for still more increases in their minimum free wage.

It is logical to assume that this would force wage levels up throughout the economy, thereby aggravating inflation even more. Unfortunately, in such a scheme as this, there would be no standard—that is—it wouldn't matter whether the recipient was really down on his luck, or simply too lazy to work. Poverty would be the only criterion, and certainly that could be easily self-imposed if the recipient wanted to ride the gravy train.

SHOCKING ATTACK AGAINST POLICE

Law enforcement authorities throughout the nation have for some years now been subjected to a systematic attack by the left-wing elements, with charges of "police brutality" constituting the main basis of these irresponsible attacks.

Such charges flared anew, predictably, in the wake of the recent wave of anarchy in a dozen American cities. But now the National Association for the Advancement of Colored People and the American Civil Liberties Union have launched the most shocking attack yet against law enforcement in the United States.

The NAACP and ACLU have filed suit seeking appointment of a receiver to take over and operate the Newark, N.J. Police Department.

The "victims" who have filed the suit in U.S. District Court for New Jersey are quite serious about their action. They intend to have the Newark law enforcement agency controlled by a "receiver" probably to be named by a federal court.

This is ridiculous, but even in its absurdity it should give cause for serious concern to responsible American citizens who recognize law and order as the foundation of our system. For to witness the success of this insidious action would be to witness the final denouncement of a tragedy that has beset America.

However, in the wake of many questionable decisions by federal courts in recent years, one cannot with any assurance say that the suit filed by the NAACP and ACLU will be turned down by the federal court. The suit was filed with a complaint against the police which charged "acts of violence, intimidation and humiliation to keep the Negro community (of Newark) in a second-class status."

This is the result of the police department's efforts to maintain law and order and discourage the wave of anarchy, looting, arson and murder that assailed the city recently. If this suit is successful, the final facade of law and order will have been removed, and the anarchists will have a field day at the public's expense.

MORE ALICE IN WONDERLAND

How would you like to have a job making $150 a week, and also have the welfare department pay your rent each month?

That's what happened in Yonkers, N.Y., believe it or not. William Jacobs and his wife have seven children. He makes $150 a week driving a garbage truck for the city. But because the welfare department claims his salary doesn't cover all of his expenses, it has been paying $600 a month to keep Jacobs and his family in a motel.

The Jacobs lived thusly for six months. Recently the family signed a lease for a House which rents for $270 a month. The Westchester County welfare commissioner, Louis Kurtis, says the county will still have to pay some of the cost because the $150 a week that Jacobs earns will "not cover his expenses."

In addition to adding a second window to the living room, which the family requested, the welfare department will provide the family with any additional furniture they might need.

Well, granted that the cost of living in Yonkers is exorbitant, that is no reason why other taxpayers should foot the bill for a man who makes $150 a week, but still can't meet expenses. Lots of families find themselves in the same situation, because of the high cost of living in the Great Society but they're not being subsidized by the state, nor should they be.

This case helps explain why costs of welfare is mushrooming. The real goal of welfare obviously has been lost sight of, somewhere along the line, as bureaucratic power grows and grows. To insist that the problems of this family properly belong in the realm of public welfare is to depart from the realities of life. In too many cases, the self-perpetuation of a bureaucracy is the major goal.

And say what they will to explain away this Yonkers case, there are many families in America today—not on welfare—which would trade their incomes for that of the Jacobs family.

THOSE EXPENSIVE BARGAINS

Past experience has shown that when Robert McNamara talks about "bargain" purchases by his Defense Department one can be sure he's not talking about "bargains" in the sense that the canny housewife views them.

Take as one example the story unfolded recently by Rep. Otis Pike of New York. Rep. Pike charges that the Defense Department ordered $33,398 worth of gadgets actually worth $210—and called it a bargain.

Rep. Pike declared that the Pentagon ordered 130 knobs used on generators in Vietnam from Sterling Instruments Division of Designatronics Inc., of Mineola, N.Y. But Pike, a member of a House Armed Services subcommittee investigating the purchase, said the same knobs were sold by Federal Pacific Electric Co. of Newark, N.J., for only $1.62 each—the whole batch would have cost only $210.60. But the Pentagon paid $33,398 for them and proudly called them a "bargain."

The apparent reason for the $33,398 order Pike explained, was that Sterling Instruments was the only manufacturer to respond to an advertisement for bids. Because it was technically a competitive bid, the Defense Department considered it a bargain, Pike said, and credited its "cost reduction program" with an automatic 25 per cent savings, or $8,349.

Pike contends that each time the Pentagon buys something through competitive bidding it throws the purchase into a computer which figures an automatic 25 per cent saving. That explains in large measure how McNamara's been "saving" so much money for the taxpayers.

Then there is another little item on which McNamara saved the taxpayers scads of money. This was a simple washer which the government bought, through a middleman, for $1.55 each. As Rep. Pike points out, it's just a plain, old flat washer—which was worth 15 cents. You can get them at any reputable hardware store. But the Pentagon gets them through a middleman for $1.55, thereby racking up another sensational "cost reduction program" saving for the taxpayers.

We suspect the taxpayer would be happy if the government halted this kind of bargain buying—they've had about as much as their pocketbooks can stand.

LIFE ON PARADISE ISLE

Britain's socialist paradise rolls on. The government reported last week the biggest rise in British unemployment in four years, with a winter of labor strife in prospect.

This comes only a month after Laborite Prime Minister Harold Wilson boasted that he was going even further in his party's efforts to socialize almost every aspect of the British economy. His efforts have succeeded: the economy is paralyzed, labor strikes are causing work stoppages, and an era of harsh austerity has descended upon merry olde England.

The government's austerity kick (necessitated by the imposition of socialism upon the nation) is held directly responsible for much of the 97,027 increase in unemployment since Sept. 22, making the total unemployed in the land of the welfare state 437,229.

Wilson is like the squirrel on the treadmill. He keeps forcing through more of his fuzzy socialistic schemes and the economy totters still more. It would seem that somewhere in his life he, an educated man, learned about the free enterprise system. It doesn't show in his policies, and Britain is suffering because of his ignorance.

In spite of the disturbingly high total of unemployed in Britain, there is no hint that there might be some relaxation of belt-tightening measures. And even the left-wing Laborites are calling the report on unemployment "most gravely disturbing." Fancy that.

All production stopped at the big Austin motors plant because of a strike of car

deliverers which began four weeks ago at the British Motor Corp., makers of Austin, at Oxford. The drivers walked out when the company announced 12,000 men had to be laid off because of the government's rigid austerity measures. That's the socialist treadmill at work.

Behind the labor disputes was the general discontent with Wilson's six-month freeze of wages and prices—another dividend of socialist paradise. (A voluntary freeze was ordered by the government last July and then it was made compulsory when some of the unions—usually the chief backers of socialist measures—refused to observe the voluntary freeze.)

Growing business stagnation is noted throughout the feeble island kingdom. Wilson is certain to be rapped not only by the Conservatives but also by leftwingers from his own Labor party, because of the hardship for workers. But, amid the squabbling and the screaming, Hal Wilson's socialist paradise of the British Isles rolls merrily along, serene in the knowledge that with enough reforms and gimmicks the whole British economy will founder, forthwith, in the English Channel.

GOVERNMENT STOCKPILES — A THREAT TO FREE ENTERPRISE?

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, many Members of Congress have watched with great concern the use of Government stockpiles to control prices. For example, the President has released by proclamation over 500,000 tons of stockpiled copper in an effort to prevent price increases. Aluminum and tin are but two more major items that have been used for similar purposes.

The market system is the backbone of our economy, and any tampering with it involves serious risks and sets dangerous precedents.

All this is brought to public attention by Dr. N. A. Ansari in the summer 1967 issue of "Business Perspectives," a publication of Southern Illinois University. Dr. Ansari's excellent, scholarly article is titled "Federal Government Influence on Prices of Stockpiled Materials." The associate professor of management at the University of Nevada puts the case well.

He states in part:

It seems ironic that the United States, a nation ostensibly so deeply committed to the ideals of a free enterprise sytsem, should be moving away from these trusted principles, while many of the communist countries, having learned from the experiences of the United States and having been convinced of the hazards of central planning and government control, are rapidly moving in the direction of profit motive, free enterprise and free market. If the experiences of Yugoslavia are of any significance, such a move is paying off. It would be a tragic mistake for the United States to undermine the basic right of an entrepreneur—the right to set the price of his products.

I might add that while Dr. Ansari's finding deal with various metal stockpiles, his observations should be kept in mind as well by the Nation's farmers. With prices such as we have today, such punitive actions must not be permitted to take place for corn, feed grains, or any other agricultural commodity. With inflation mounting, the Federal Government may increasingly turn to dumping stockpiled commodities to drive prices down.

I therefore recommend this article to my colleagues, and request its inclusion at this point in my remarks:

FEDERAL GOVERNMENT INFLUENCE ON PRICES OF STOCKPILED MATERIALS

(NOTE.—This author believes that the federal government is becoming an increasing menace to free competition by influencing price levels of materials held in the national stockpile. Tin price fluctuations are examined to determine the extent of government interference in pricing decisions on the open market.)

(By Nazir A. Ansari,* University of Nevada)

Traditionally, American businessmen like to think that they are operating in an economy which is governed by the basic laws of supply and demand, for this concept is the very foundation of a free enterprise society. They like to think that as owners and managers of their ventures they are free to set the prices of their products at levels where they can best meet the forces of competition. They like to think that as long as their actions do not restrict competition, or as long as they are not guilty of actions considered unlawful under the existing laws of the land, they can expect the minimum amount of interference by the federal government or its regulatory agencies in their policy decisions.

The events of the recent years, however, have cast serious doubts on the validity of these ideals and raised some pointed questions regarding the nature and the extent of the independence of private enterprises. The reaction of the federal government and the rapidity and ruthlessness with which it mobilized the vast and powerful forces at its disposal to compel the nation's steel, aluminum, coffee, tobacco, and molybdenum producers to rescind their announced price increases are instances that will be remembered by all for a long time to come. These are instances of direct and conscious effort by the federal government to influence major policy decisions of independent corporations.

Of the various methods employed by the federal government to influence pricing decisions of independent corporations, the use of the national stockpiles and the threat by the government to release vast quantities of stockpiled materials are gaining in prominence. A close look at the sequence of events in the case of aluminum shows the extent to which these methods have proved effective.

On October 29, 1965, under pressure of rising cost, the nation's major aluminum producers announced a price increase of one-half of one cent per pound. The response of the federal government was immediate. It asked the aluminum companies to rescind this "unjustified and inflationary" price increase. In the event that the companies failed to comply, the government threatened to release vast quantities of aluminum from the surplus in the national stockpiles, with 100,000 long tons[1] designated for immediate release and an additional 200,000 long tons pin-pointed for release in 1966. On November 11, just 13 days after the initial confrontation, the aluminum producers bowed to government demands and rolled back their prices.

There is yet another and perhaps equally effective, though commonly unknown, manner in which the federal government uses stockpiles to attain desired price levels for certain materials. A careful study of the fluctuations of tin prices shows that an agency of the federal government exercises an undeniable and decisive influence on prices of this metal by buying in the open market when the price gets below the desired level and selling in the open market by releasing tin from the national stockpile when the price rises above a certain level. By carefully planning the timing and amount of releases from the national stockpile, the federal government is able to influence appreciably the price of tin on the open market.

Although such governmental manipulation of supply is not a new weapon, it is growing in power and in prominence and should be of paramount concern to all the nation's business entrepreneurs. The ability of the government to act in this manner, coupled with the general upward trend in wages and material costs, implies, a cost-price squeeze on all producers and consumers of stockpiled materials.

The purpose of this paper is to direct the attention of both businessmen and the public to the nature and extent to which the influence of the federal government prevails on the prices of materials held in the national stockpile. Using tin as an example, this paper shows how tin prices have fluctuated relative to the amount and the timing of releases of surplus stockpiles by the government. A critical examination of the basic objectives of stockpiles and the authority of the federal government in this matter provides the background for this analysis.

TIN PRICE FLUCTUATIONS

A reasonable degree of stability in the price of tin on the world market is zealously sought by the consumers as well as the producers of this metal. There are two main reasons for this. First, tin prices must be kept high enough to maintain profitable production. Second, the price must be kept low enough to discourage the substitution of the metal by any one of several feasible products. Toward these ends, the major tin producing and consuming countries of the world, with the notable exception of the United States and the Soviet Union, banded together in 1956 to form the International Tin Council. Control by the members of the Council is usually governed by their share of the world market.

In order to achieve its goal of stabilizing tin prices, the International Tin Council introduced two fundamental programs. The first program, that of restricting supply in order to change the world balance from an excess to a deficiency, achieved success in 1958 when, for the first time, demand exceeded supply. This condition has persisted ever since. The second program, that of setting up a buffer stock in order to control prices, failed for the most part even though the principle behind it was sound. Under this plan the manager of the buffer stock, which was donated for this purpose by the International Tin Council members, was to sell tin if the prices rose above a given level or to buy if the price fell below a certain specified minimum. The key to the failure of this program was the inadequacy of the buffer stock in relation to the holdings of non-member countries such as the United States and lack of sufficient funds to purchase tin in the open market in order to help raise its price.

Despite the efforts of the International Tin Council, tin prices have fluctuated widely from one period to another. At times they are found to have changed by well over 50 per cent beyond their previous level. Table 1 shows the monthly averages of tin prices from 1946 to 1965:

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*The author wishes to express his thanks to Mr. Guy K. Grant for his help with the collection of data.

[1] The International Tin Council defines long ton as being the equivalent of 2,240 pounds.

TABLE 1.—MONTHLY AVERAGE PRICE OF STRAITS TIN IN NEW YORK (PROMPT DELIVERY)

[In cents per pound]

Year	January	February	March	April	May	June	July	August	September	October	November	December
1946	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	65.00	70.00
1947	70.00	70.00	70.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	85.33
1948	84.00	94.00	94.00	94.00	94.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00
1949	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	101.90	95.70	91.11	79.08
1950	75.92	74.50	74.75	76.45	77.50	77.70	89.88	102.05	101.29	113.35	137.68	144.78
1951	171.72	182.68	145.46	145.83	139.96	118.05	106.00	103.00	103.00	103.00	103.00	103.00
1952	109.76	121.50	121.50	121.50	121.50	121.50	121.50	121.50	121.38	121.23	121.27	121.47
1953	121.50	121.50	121.40	101.11	97.46	92.95	81.63	80.68	82.31	80.85	83.19	84.61
1954	64.83	85.04	91.88	96.12	93.52	94.20	96.54	93.37	93.54	93.04	91.10	88.57
1955	87.27	90.77	91.04	91.39	91.37	93.64	96.82	96.46	96.26	96.09	97.87	107.76
1956	104.32	100.53	100.57	99.17	96.88	94.48	96.16	98.96	103.57	105.72	110.26	104.01
1957	101.35	100.22	99.48	99.30	98.32	98.02	96.46	94.15	93.31	91.84	89.23	92.32
1958	92.68	93.75	94.33	92.82	94.49	94.62	94.89	94.94	94.01	96.47	98.96	98.97
1959	99.35	102.71	103.03	102.50	103.04	104.15	102.31	102.33	102.43	102.20	100.96	99.13
1960	99.85	100.97	100.09	99.24	99.54	101.31	103.49	102.85	102.23	103.28	102.82	101.14
1961	100.38	100.98	103.40	107.08	110.03	114.55	116.25	119.78	121.85	121.05	122.89	120.98
1962	120.30	121.06	123.08	122.12	117.19	113.02	111.45	108.46	108.46	108.76	110.78	110.64
1963	111.06	108.54	109.22	113.02	116.65	117.73	115.34	114.84	116.11	119.97	127.04	130.20
1964	134.02	140.12	134.82	133.51	134.85	150.60	159.65	161.67	185.38	204.61	190.27	163.11
1965	157.26	154.98	164.98	180.67	191.95	188.94	184.12	186.96	191.90	185.32	176.76	174.23

Source: Commodity Year Books, 1952-66.

From 1941 to 1946 the price of tin was set by the Office of Price Administration at $.52 per pound. In November, 1946, and thereafter until midyear 1948, government price ceilings were gradually raised. This accounts for the alternate climbing and leveling-off pattern exhibited until November, 1949, when all price controls on the metal were lifted. After the removal of direct price controls, the story told by Table 1 is of another, more subtle type of government control over prices in the form of actions taken to augment or decrease tin stockpiles.

As might be expected, one of the most spectacular price fluctuations for the period under consideration came at the time of the Korean conflict. When in late 1950 and early 1951 the crisis was most critical, there were heavy stockpile purchases by the government, in addition to increased buying by consumers and foreign governments in anticipation of wartime shortages—enough to drive the price to $1.83 per pound, an increase of about 50 percent over the low of $.74½ per pound set just previous to the outbreak of the hostilities.

Early in 1951 when fears that the United States would run short of tin were abated, the discontinuance of tin purchases by the General Services Administration was a significant factor in the plunge of tin prices from an all-time high of $1.83 per pound to $1.03 per pound, a drop of approximately 44 per cent in less than six months.[2]

Again, in 1952, tin prices were pushed upward by a large government purchase contract at $1.21½ per pound and also by an agreement for the United States to obtain 20,000 long tons of tin from the United Kingdom for about $1.21 per pound.

Along with rumors of a peace settlement in early 1953 came a government announcement that the stockpile requirements had been completed. The subsequent price drop from $1.21 per pound to $.80 per pound in less than a few months is another, though less dramatic, example of the influence of stockpile transactions upon the price of tin.

From 1953 to 1959 tin prices remained fairly stable with a few minor exceptions. During 1959 and 1960, when world tin consumption started to exceed tin production, the International Tin Council sold heavily from its buffer stock in an effort to hold prices down. By 1961, however, this buffer stock had depleted substantially, and the sharp rise in the price of tin in that year was the direct result of this.[3]

In January, 1962, the price of tin stood at $1.20 per pound. The subsequent drop to $1.08 per pound by mid-year can again be attributed to government actions—this time the public's uncertainty over the announcement of the intentions of the General Services Administration to dispose of 50,000 long tons of tin. After the initial announcement, prices recovered and continued to climb due to the increasing gap between supply and demand. How much higher prices would have gone if the United States had not been simultaneously engaged in disposal activities is subject for speculation. Subsequent disposal programs were authorized in July, 1964, and March, 1965.[4]

Tin prices reached record highs in 1964 and 1965 due to an acute supply deficit or "short-fall" in production, which can be explained in part by the political tensions existing at that time between Malaysia and Indonesia, producers of two-thirds of the world's tin. During that period the United States was filling the supply gap by selling large quantities of surplus tin and, consequently, preventing prices from climbing even higher.[5] Tin prices fell from a high of $2.18 per pound in late 1964 to $1.61 per pound in July, 1966, a decline of about 26 per cent. This decline can be attributed, for the most part, to three factors—the cease-fire agreement between Malaysia and Indonesia, which brought forth increased production from both countries; a decrease in the shortfall since 1964 from 20,000 long tons to about 15,000 long tons because of increased production and a decrease in tin consumption; and accompanying United States disposal actions.[6]

The fact remains, however, that as long as there is any deficit of supply, and as long as the government has a stockpile surplus, the fate of tin prices rests largely in the hands of the federal government through its stockpile surplus disposal policies. The producers and the consumers of tin will simply have to stand on the sidelines and watch the market respond to the actions of the U.S. government rather than their own.

It would, of course, be erroneous to assume that the federal government can use the entire quantity of tin in the national stockpile to exert its influence on tin prices. The General Services Administration and the Office of Emergency Planning, two of the agencies of the federal government that are most directly concerned with matters under discussion here, are not allowed to dispose of any quantities from the national stockpile unless these quantities are found to be in excess of the expressed objectives and reclassified as such without any objections from either of the Departments of Agriculture, Defense, Interior, or State. Authorization must be secured from Congress for any disposal from the national stockpile.[7]

Table 2 presents data that further emphasize the magnitude of the influence of the federal government on the price of tin. It shows the amount of tin held in the national stockpile already reclassified as surplus and the proportion of this surplus to total world production.

TABLE 2.—TOTAL WORLD PRODUCTION OF PRIMARY TIN, TIN IN NATIONAL STOCKPILE, STOCKPILE SURPLUS, AND STOCKPILE SURPLUS AS PERCENT OF WORLD PRODUCTION AND TOTAL NATIONAL STOCKPILE, 1958-65

[In long tons]

Year	Total of world production	Total in national stockpile	National stockpile surplus	Surplus as percent of total world production	Surplus as percent of total national stockpiles
1958	121,100	345,000	147,000	121.39	42.61
1959	114,000	(1)	(1)	-------	-------
1960	145,900	352,000	167,000	114.46	47.44
1961	136,500	349,000	163,505	119.78	46.85
1962	144,700	347,290	147,290	101.79	42.41
1963	143,000	337,356	137,356	96.05	40.72
1964	142,800	308,741	108,741	76.14	35.22
1965	149,300	284,754	84,754	56.76	29.76

[1] Not available.

Sources: International Tin Council, Statistical Bulletin, April 1966; U.S. Senate, "Inquiry Into the Strategic and Critical Material Stockpiles of the United States," hearings before the National Stockpile and Naval Petroleum Reserves Subcommittee, Committee on Armed Services, 87th Cong., 2d sess., July and August 1962, pt. 5; U.S. Department of the Interior, Bureau of Mines, Minerals Yearbooks, 1961-64; General Services Administration, Office of Emergency Planning, Executive Office of the President, statistical supplement, "Stockpile Report to the Congress," July-December 1965.

The first stockpile objective for tin was set in 1944 at 210,000 long tons. From that time until the mid-1950's, the government was vigorously adding to its stockpile inventory of tin in order to meet its ever-increasing stockpile objectives. These objectives were gradually raised from the initial objective of 210,000 long tons to a maximum of 350,000 long tons in 1950. Since that time the objectives were gradually relaxed and have remained unchanged since 1962 when they were set at 200,000 long tons.

According to available statistics, 1958 is the first year for which there was a recorded surplus of tin. At that time the U.S. government surplus was equal to over 121 per cent of the total world production of tin for that year. Since 1961, however, the proportion of

[2] United States Senate, "Inquiry into the Strategic and Critical Material Stockpiles of the United States," Hearings before the National Stockpile and Naval Petroleum Reserves Subcommittee, Committee on Armed Services, 87th Congress, 2nd Session, July and August, 1962, Part 5, p. 1742.

[3] Ibid, p. 1744.

[4] *Commodity Year Book* (New York: Commodity Research Bureau, Inc., 1966), p. 332.

[5] International Tin Council, *Statistical Supplement* (London: International Tin Council, 1965), p. 7.

[6] John P. Hawkins. "Tin Prices Drop from High Level of 1964," *Wall Street Journal*, July 7, 1966, p. 4.

[7] "Stockpiling Policy May be Heated Issue in 1966," *Congressional Quarterly Fact Sheet*, December 10, 1965, p. 2451.

U.S. stockpile surplus to total world production has been in constant decline, which can be attributed to the surplus disposal program which the government has actively pursued since 1962.

Despite this decline, however, with world consumption of tin having exceeded world tin production since 1959, it is obvious that through its disposal program the U.S. Government has been instrumental in preventing prices from climbing even higher than they would have after the International Tin Council buffer stock was depleted. Also, it seems reasonable to conclude that the United States, with an amount equal to over half of the total annual world production of tin in its stockpile surplus and with almost one-third of its total inventory of tin classified as surplus, still remains in a strong position to influence tin prices in both the United States and world markets.

STOCKPILE OF OTHER MATERIALS

The evidence presented in this paper shows that the federal government, by virtue of its vast holdings in the national stockpile, can exercise its influence on prices. The case of tin, as studied here, is by no means an isolated instance. Since the vast quantities held in the stockpile are the basic source of the power of the government over prices, it can be rightly argued that similar influence can be exercised in all cases where stockpile surpluses exist. As pointed out earlier, such influence has already been demonstrated in the case of aluminum. Coffee and molybdenum are other instances.

This close study in the case of tin points out a useful lesson to the producers and the consumers of materials included in the stockpile program of the federal government. The existence of sizeable surpluses in the national stockpile may very well mean that the decisive power to manipulate prices of these materials in the open market rests not with the producers and consumers, but with the federal government.

Just how large are these surpluses? Out of a total of 49,800,000 short tons of strategic and critical materials on hand on December 31, 1965, a total of 22,400,000 short tons were classified as surplus.[8] At that time out of the 77 materials of specification grade in government stockpiles, there was an inventory deficit recorded for only 12, and the inventory either equaled or exceeded government stockpile objectives for 45 of the materials. For the balance, there were sufficient quantities on hand in total government-owned inventories to complete the objectives. Table 3 lists the surpluses for some of the most significant strategic materials.

TABLE 3.—*Quantities of selected materials in the national stockpile classified as surplus, December 31, 1965*

Materials:	*Amount*
Aluminum (short tons)	1,434,807
Aluminum oxide, fused, crude (short dry tons)	218,359
Antimony (short tons)	23,832
Bauxite, refractory grade (long calcined tons)	126,279
Beryl (short tons)	12,472
Cadmium (pounds)	10,047,669
Cobalt (pounds)	48,629,210
Copper (short tons)	144,968
Lead (short tons)	1,284,626
Magnesium (short tons)	24,083
Molybdenum (pounds)	4,916,514
Nickel (short tons)	150,688
Pyrethrum (pounds)	42,044
Rare earths (pounds)	795,647
Rubber, crude, natural (long tons)	617,718
Silicon carbide, crude (short tons)	166,445

[8] Office of Emergency Planning, Executive Office of the President, *Stockpile Report to the Congress* (Washington, D.C.: July–December, 1965), p. 2.

TABLE 3.—*Quantities of selected materials in the national stockpile classified as surplus, December 31, 1965*—Continued

Materials:	*Amount*
Tungsten ores and concentrates (pounds)	35,785,000
Zinc (long tons)	1,312,868

Source: General Services Administration, Office of Emergency Planning, Executive Office of the President, Statistical Supplement, Stockpile Report to the Congress, (Washington, D.C.: July–December, 1965).

This table shows that in several instances the government is armed with considerably larger surpluses than is the case with tin. What would happen if the producers of these materials should announce price increases in these inflationary times is food for thought. Gone are the days when the conscientious producer could raise his prices without fear of some form of government retaliation. As has been shown in numerous instances, these government retaliatory forces, especially in the form of stockpile manipulations, are so strong that they are felt throughout the world market. The story behind the price fluctuations of many strategic materials would, as in the case of tin, be a story of federal government action taken to influence the forces of supply and demand in the open market.

CONCLUSION

John Croston, representing the General Services Administration at a Senate hearing on the government's tin disposal policies, stated that "We [the GSA] will attempt to sell tin at a price that will keep the major part of the industry in a healthy condition." As was shown here, this statement concerning tin could apply to a large number of other materials contained in the national stockpile.

There was a time not too long ago when this "healthy condition" would have been determined by the unimpeded forces of the open market, whereas now, more than ever, it is being determined by some form of direct governmental intervention. As members of a supposedly free enterprise system, it is only natural that we should decry such governmental tampering with the forces of the free market.

At this point one might ask what the implications of such government control over prices are and what influence such control will have on this nation's profit incentive system. Presently, the American entrepreneur finds himself faced with a situation where government reaction to a price change is a more significant factor than the reaction of the open market. Admittedly, prices are still determined in the marketplace, but in a market largely dominated by the government. It is needless to say that such a situation does not coincide with the cherished ideals of a free economy.

Throughout this nation's history, freedom of enterprise has been paramount in shaping this country's economic destiny. American businessmen have always been able to point with pride at the accomplishments of their free enterprise society. Now this country's entrepreneurs are faced with the unhappy circumstance of risking capital while the government determines the fair profit and price. It is obvious that such a situation can give little, if any, incentive to the entrepreneur to put his capital at stake.

In recent years we have witnessed the reluctant, but admittedly necessary, transition of many communist nations, notably Yugoslavia, from the principles of a planned and centrally controlled economy to that of an economy based more and more on profit motive and freedom of action as incentives. Under the economic system eulogized in Marxist doctrine, the totalitarian economies lagged, but with their return to economies based on the profit motive, their productivity has witnessed rapid expansions and wide-range improvements.

It seems ironic that the United States, a nation ostensibly so deeply committed to the ideals of a free enterprise system, should be moving away from these trusted principles, while many of the communist countries, having learned from the experiences of the United States and having been convinced of the hazards of central planning and government control, are rapidly moving in the direction of profit motive, free enterprise, and free market. If the experiences of Yugoslavia are of any significance, such a move is paying off. It would be a tragic mistake for the United States to undermine the basic right of an entrepreneur—the right to set the price of his products.

IMPORTS CONTINUE TO PELT U.S. MINK RANCHERS

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, the pathetic state of U.S. mink-pelt prices, driven to below cost of production by cheap foreign imports, has been repeatedly called to public attention by many of us. We have sought diligently to bring these destructive imports under reasonable control through legislation.

In a further effort to persuade the powers that be of the situation confronting our mink ranchers, I wish to include for the RECORD an article appearing in the September 3, Minneapolis, Minn., Tribune. It outlines clearly the bleak future facing mink ranchers such as Henry Morlock in my own State of Minnesota, which is the second largest mink-producing State in the country.

The article follows:

MINK DOESN'T MEAN AFFLUENCE—STATE RANCHERS FEEL PINCH FROM IMPORTS

(By Dick Youngblood)

Henry Morlock lounged in the shadows of one of the exhibit buildings, surrounded by the fun and noise of the Minnesota State Fair.

He wasn't happy.

Morlock, a state representative from Jordan, Minn., is a mink rancher—a big one, as mink ranchers go.

"I haven't sold my 1966 pelt crop yet," he said, watching the fairgoers filing through the mink exhibit building west of the grandstand, "and I've got another crop of about 4,000 pelts coming in November."

The reason is the pelt price, which now is running between $12 and $14. That's $4 to $5 under what Morlock says is the average rancher's break-even price.

And it's about $6 under the price that mink pelts commanded just a year ago.

"If I sold my 1966 crop now," Morlock declared, "I'd be out of business tomorrow." He thought a moment, then added: "I may be anyhow."

The problem, he contended, is imports—primarily the low-priced pelts shipped in from the Scandinavian countries.

Morlock, a past president and present board member of the Minnesota Fur Breeder's Association, said imports have been climbing steeply throughout the 1960s, reaching 4.4 million—or 41 per cent of the domestic market—in the 1965–66 season.

This season, he added, imports promise to top six million pelts, and the result is a price that has been driven down to distress levels.

"I've got $100,000 sunk into housing, cages, mixers, freezers and carts," Morlock said. "Right now, I couldn't realize 20 per cent of that if I sold out today.

"The mink ranchers in this country simply can't compete with the cheaper labor and cheaper feed available to producers in the Scandinavian countries."

The mink industry and its problems isn't exactly an issue the average working stiff can identify with.

Nevertheless, it's a sizable industry which produced nearly nine million pelts in 1965–66. Even at current low prices, that's worth more than $100 million.

And in Minnesota, the second-largest mink producing state, it's a matter of vital concern to more than 420 producers who turn out upwards of a million pelts a year.

In 1965–66, before prices took a nosedive, this production was worth nearly $20 million.

Morlock and his Minnesota colleagues aren't the only ones worrying about the import problem.

After 900 ranchers aired their gripes before federal officials at an Aug. 18 conference at Fond du Lac, Wis., President Johnson last week requested the tariff commission to investigate the effect of mink imports on the domestic industry.

Morlock and other Minnesota breeders, however, aren't waiting around for the tariff commission.

As fairgoers passed through the mink exhibit building last week, they were asked to sign a petition supporting passage of one of the 11 bills now before Congress that are aimed at trimming mink imports.

By midweek, Morlock had collected more than 6,000 signatures.

"If we could cut imports in half, as these bills are designed to do, we could market our pelts at a profit and still leave a substantial market for foreign producers," Morlock said.

The U.S. industry, he admitted, helped get itself into this competitive bind.

"Some of the boys grabbed for the green stuff six or seven years ago, when the foreign producers came over looking for breeding stock," Morlock said.

"I didn't sell," he said, "but plenty of them did."

And those prolific mink now are coming back to haunt the domestic industry.

A FANTASTIC PLOT

Mr. SCHERLE. 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 Iowa?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the Philadelphia Inquirer of today, September 28, carried an account of an almost unbelievable plot to start a riot and in the confusion to poison the food and beverages of hundreds of policemen on the scene. According to the UPI release from Philadelphia yesterday, September 27, also marked for death were Mayor James H. J. Tate, District Attorney Arlen Specter, and Police Commissioner Frank Rizzo. The organization involved is the Revolutionary Action Movement—RAM—which was founded in 1963 and is dedicated to the overthrow of the capitalist system in the United States, by violence if necessary, and to its replacement by a socialist system oriented toward the Chinese Communist interpretation of Marxism-Leninism. Three members of this organization, it will be remembered, were apprehended some time ago with a quantity of dynamite with which they planned to blow up the Statute of Liberty and the Washington Monument. It is not surprising that Stokely Carmichael entered the picture somewhere along the line. J. Edgar Hoover, in his appropriations statement earlier this year before a House subcommittee, commented on Carmichael's connection with RAM:

In espousing his philosophy of "Black Power", Carmichael has been in frequent contact with Max Stanford, field chairman of the Revolutionary Action Movement (RAM), a highly secret all-Negro Marxist-Leninist Chinese-Communist-oriented organization which advocates guerrilla warfare to obtain its goals, and has afforded Stanford assistance and guidance in forming a Black Panther Party in New York City.

That the public will be better alerted to the nature of this extremist organization, I insert in the RECORD at this point the UPI news release of September 27 and the article entitled "Four Extremists Accused of Plot To Poison Police During Riot," by Frank J. McDevitt and George J. Murray of the Inquirer staff:

[UPI Report]

PHILADELPHIA.—The revolutionary action movement (RAM), a Negro extremist group, had planned to poison up to 1,500 policemen and top city officials in the event of a riot here, dist. atty. Arlen Specter said today.

High on the list to be marked for death allegedly were Mayor James H. J. Tate, Specter and Police Commissioner Frank Rizzo.

Specter said plans were underway to obtain warrants for the arrest of at least four members of the RAM.

He said an informant had tipped the FBI of the mass murder plan to place deadly potassium cyanide in coffee and sandwiches served police from portable canteens.

Specter said a "quantity" of the deadly poison was turned over to the FBI and that it was enough to have killed 1,500 persons.

The informant was said to have told authorities that members of RAM actually had attempted to spark a riot with a hurling of a firebomb into a building, but that police stepped in and quickly squelched further violence.

Details concerning the attempt were not immediately available. But, it was known that cyanide was found on some persons during an investigation of a firebomb incident during the summer. Police, however, were not able to link the cyanide with a plot at that time.

Specter said his office, the police department and the FBI held a "high priority" meeting earlier today to map a course of action.

Some members of RAM had been arrested during the past summer on charges of inciting to riot and one was convicted.

An FBI spokesman here said the confiscated poison turned over to them had been sent to its laboratories in Washington and found to be deadly cyanide.

[From the Philadelphia Inquirer, Sept. 28, 1967]

FOUR EXTREMISTS ACCUSED OF PLOT TO POISON POLICE DURING RIOT—MEMBERS OF RAM IMPLICATED

(By Frank J. McDevitt and George J. Murray)

A fantastic plot to start a riot and in its wake kill "thousands of policemen and other citizens," by slipping deadly potassium cyanide into their food and beverages has been exposed by a former member of an extremist Black Power organization, it was announced Wednesday.

District Attorney Arlen Specter disclosed that warrants containing a long string of charges had been issued late Wednesday for four members of the Revolutionary Action Movement, more widely known simply as RAM.

SUSPECT IN CHICAGO

One of the alleged plotters, Specter said, now is a student at the University of Chicago. He said Chicago authorities have been alerted to arrest him.

Specter described the plot as one aimed at "literally destroying the city by violence."

The murderous scheme came to light only last week when Hilton Louis Jones, 22, of Wilt st. near 31st st. and Montgomery ave., went to the Philadelphia office of the FBI and turned over more than a half pound of pure potassium cyanide to Special Agent Edward Cole.

Jones said he himself was a member of RAM and had been one of the plotters since last July 6 when the five men first met in the home of William James (Rashed) Lyles, 26, on Cumberland st. near Front.

SEARCH LAUNCHED

Jones identified two of the others as Reginald (Yusef) Grantham, 18, of Haverford ave., near 34th st., and Anthony Montiero, 22, who at that time lived on 12th st. near Fairmount ave.

The fourth man, Jones said he knew only by his Black Muslim name of Sakeeb. He described him as short, stocky, weighing about 150 pounds, in his 20s and sporting a "Freedom haircut."

Lyles, it was learned, is in the Philadelphia Detention Center for a previous offense. Montiero is at the University of Chicago. An immediate search was begun for the others. All the men are Negroes.

According to Jones, who is free on $3500 bail and awaiting trial after being arrested Aug. 18 on a robbery charge, the riot was to be started by tossing Molotov cocktails and exciting residents of a slum area.

Later, when police gathered, the plotters and "their agents" planned to serve food and drinks laced with potassium cyanide, Jones said.

Later, the RAM members, according to Jones planned to fan out over the city and poison food in restaurants.

According to the informer, the RAM militants made one actual attempt to touch off a riot. That was at 10 P.M. last July 29, when they threw four Molotov cocktails into a building at 1516 N. 21st st.

"CRAP GAME" REPORTED

While firemen were en route to the blaze, a RAM plotter telephoned police and reported "a large crap game" was taking place in the 21st st. address.

Police sped to the scene but remained away from the building, suspecting immediately a "setup to start a riot."

The firebombing of the 21st st. building was checked out and Jones was found letter-perfect in his account of it—while the powder he turned in to Cole was being analyzed—and found to be pure cyanide—at the FBI laboratories in Washington.

Meanwhile, the District Attorney's office, the Philadelphia police and the U.S. Secret Service joined the investigation.

Feeling his story to be almost unbelievable, Jones requested and was given a lie-detector test. He "passed it with flying colors," one investigator said.

Specter said Jones was picked by the group to prepare the cyanide for distribution because he had had "some education in chemistry."

According to plan, Jones, on Sept. 19, went to the basement of a building on Diamond

st. near Broad. There he found the cyanide. The following day, Jones went to the FBI.

The warrants were issued Wednesday afternoon by Judge Leo Weinrot on the basis of an affidavit sworn by Lt. George Fencl, of the police civil disobedience squad.

The affidavit stated that Jones had given investigators a 34-page sworn statement in which he said he had been solicited by the other RAM members "to commit murder, to cause public chaos by destructions of private and public property and to literally destroy the city by violence."

PLANS FOR POISON

The affidavit further stated:

"It was their intention, once riots started in the city, the poison would be distributed through their agents at various places throughout the city for the purpose of placing it in food and drink that would be gratuitously offered to policemen assigned to riot areas.

"Also, the potassium cyanide would be distributed to restaurants throughout the city in which policemen and other citizens would be taking food and drink at the time."

Jones also gave a detailed account of the manufacture of the Molotov cocktails used on 21st st. They were, he said made of a combination of gasoline, kerosene and petroleum jelly. The substance was placed in bottles and rag wicks were attached with tape.

Fencl said investigation corroborated much of what Jones had told investigators.

THE LATE CHARLES McC. MATHIAS, SR.

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MORTON] 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 Iowa?

There was no objection.

Mr. MORTON. Mr. Speaker, the death of Charles McC. Mathias, Sr., is a personal loss to those of us who knew him. More than that, the loss to his community is infinite.

Here was a man who gave of himself that his community and his world would be a better place to live. Truly he was a citizen in the highest sense of the word.

The Frederick Post has eulogized Mr. Mathias, and I insert the editorial at this point in the RECORD:

CHARLES McC. MATHIAS, SR.

Frederick County has lost one of its most distinguished citizens with the death on Tuesday of Charles McC. Mathias, Sr.

Active in all phases of community life, Mr. Mathias was especially interested in the care and education of disadvantaged children. His interest was manifested with service for 35 years as president of the Children's Aid Society, and also as chairman of the executive committee of the Maryland School for the Deaf.

His distinguished record of service also encompassed nearly every field of community endeavor, and he was a loyal and devout member of All Saints' Episcopal Church.

Mr. Mathias was noted for his serenity and composure under all circumstances. His outstanding characteristic was his ability to see both sides of a question, and bring opposing parties to a common meeting ground. Because of this, his counsel was widely sought.

He was known as a diplomat for his tactfulness, and even when on the losing side of an argument, he managed to put across his point. His motives were always honest, and his integrity was never questioned.

His legacy to society included that of a distinguished family which has also made its contribution to both the community and the nation.

Because of his attributes and activities, Mr. Mathias was one of the best known citizens of Frederick. In all of his activities, he was conscientious and devoted, and was one who could be counted on to assist in the lead for civic betterment.

THE "FORGOTTEN AMERICAN" IS AIDING HIMSELF

Mr. BERRY. 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 South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, because of my great interest in the "forgotten American," a law-abiding minority who has been relegated to the guardianship of the Bureau of Indian Affairs, I have asked unanimous consent to insert this article in the RECORD.

The article I refer to, Mr. Speaker, is entitled "The 'Forgotten American' Is Aiding Himself." It was written by Grant Salisbury. In obtaining material for this article, Mr. Salisbury spent considerable time on the Rosebud Indian Reservation in South Dakota. He has done an exceptionally fine job of portraying the feeling of the Sioux Indian people.

The Sioux Indian, like most Americans, asks not for relief and Federal handouts. He asks not for more bureaucrats in the Indian Department to do his thinking for him. He asks only for an opportunity for employment, for jobs, for an earned income, and a right to hold his head high, commanding the respect of the true citizen.

The gentleman from Arizona, Congressman MORRIS UDALL, and I have been working for a tax-exemption program which would be a substantial inducement for industry to come on to an Indian reservation and establish jobs and opportunities for the Indian people. The Department has opposed it. The Treasury has opposed it. The Ways and Means Committee have permitted the bill to languish in their committee without hearings.

We have now introduced legislation which would apply only to the States of South Dakota and Arizona to be used as a pilot project in order that the Treasury and the Indian Department and the various agencies of Government might learn just what this program might cost nationwide and just what it would accomplish on a nationwide basis. Certainly it would not be too expensive to try it out in two small States.

As further proof, Mr. Speaker, of the need and what could be accomplished, I submit the article by Grant Salisbury in the U.S. News & World Report of October 2, which is as follows:

"FORGOTTEN AMERICAN" IS AIDING HIMSELF

(NOTE.—Some of the nation's underprivileged people are seeking to end their troubles without taking the law into their own hands. These are the American Indians. Their ancestors were hunted and slain. Their land was stolen. They have been kicked around for more than a century. This report comes from a reservation where the Indians have found some hope for the future.)

(By Grant Salisbury)

ROSEBUD, S. DAK.—Once again, the Indians are on the warpath.

This time the fight is against the grinding poverty that has been the Indians' lot ever since they were herded into reservations.

The Rosebud Sioux Reservation is one of many across the U.S. that are stirring with plans for progress. It is getting close attention because it has been selected as a testing ground for some of the latest ideas on how to give the original Americans a share of the nation's prosperity.

Most Indian reservations are as underdeveloped as the emerging nations abroad on which the U.S. has spent billions of dollars in aid.

ISOLATION, POVERTY

Take the Rosebud Reservation. It lies in an isolated area along the southern border of South Dakota. The land is better suited to ranching than to crop production. It does not provide an economic base to support the 7,000 members of the tribe living on the reservation.

Until recently, there were few jobs for the Rosebud Sioux. Sixty-five per cent of the labor force was unemployed. Average family income was less than $1,500 a year.

This tribe leans less on the Federal Government than most. It was one of the first to set up a tribal council and become self-governing. The old boarding and day schools run by the Government have been completely integrated into the local public schools.

RELOCATION ATTEMPT

The Rosebud Sioux have tried relocation, one of the latest in a long string of ideas conceived in Washington. Under this plan, Indian families were given a chance to leave the reservation to take jobs set up for them elsewhere.

Relocation hasn't worked, says Cato W. Valandra, president of the Rosebud Sioux tribal council, who is recognized as one of the nation's top Indian leaders. In his view:

"Relocation is not the answer to our problems. The Indians who leave the reservation usually wind up in city slums. About 75 per cent of them get discouraged and return. We think the place to solve our problems is right here on the reservation, instead of transferring them to some other area."

JOBS FOUND

In 1964, the tribal council launched a drive to bring jobs to the reservation. Now there is a manufacturing plant turning out prefabricated kitchen cabinets. It employs 25 Indians.

Under a contract with International Business Machines, around a dozen Indian women put together wiring assemblies for computers. Another 10 to 12 women work at making "Squawcorn" jewelry.

The council is hopeful, too, that a food-processing plant which would employ as many as 200 eventually will be located on the reservation.

The most exciting work in progress is the building of 375 low-cost homes to replace some of the makeshift housing in which the Indians live.

The makeshift housing has to be seen to be believed. There are tents, tarpaper shacks and old log cabins.

The new homes are called "transitional," because they are designed to prepare the Indians for better housing in the years ahead.

It remains to be seen whether the majority of the Indians will take good care of these homes.

In the 1870s, the Government built a fine, two-story house for Spotted Tail, then chief

of the tribe. But his wives could not adapt to the white man's kind of housing. They pitched their tepees outside when the big house got too dirty to bear. Since then, other housing projects have met a similar fate.

EXERCISE IN SELF-RESPECT

Now a different approach is being tried. First, meetings were held in every community on the reservation to find out what kind of houses the Indians themselves wanted. Then a simple home to meet their requirements was designed.

Instead of having a contractor build the house, tribal officials insisted that the Indians handle the construction from start to finish. They argued that this would in itself create jobs and self-respect. With some misgivings, Washington went along with the idea. The plan is working so well that it may be extended to other reservations.

A home-improvement association has been set up in each community. Through this, the Indians are learning how to make curtains and hang them, how to use and clean a modern kitchen, and other basic things.

The housing program is financed by close to 2 million dollars in federal funds. It is under the direction of the Government's antipoverty agency, the Office of Economic Opportunity. OEO is spending another million dollars this year to finance a Community Action program. Under this are such things as adult education and the Head Start project for preschool children.

"IT WORKS"

All told, the housing and other antipoverty programs are providing close to 500 full and part-time jobs for the Rosebud Sioux. Says the Rev. Richard G. Pates, a Catholic priest who has worked with the Rosebud tribe for 10 years and now directs the housing program:

"Whatever they say about OEO in the cities, it works out here. You can see a great change in these people. They are better-dressed and look healthier. And they have hope. Like any underdeveloped nation, this reservation has to reach the take-off. I think we are on the countdown."

Will the day come when the Rosebud Sioux will be able to get along without massive help from Washington? This answer comes from Robert S. Johnson, director of economic development for the tribe, though not an Indian himself:

"If we can keep this momentum, if Washington will have patience, and if the tribe's leaders don't lose their nerve, we can bring jobs to this reservation."

One problem to be overcome, says Mr. Johnson, is that the old tribal customs and habits ingrained by long years of unemployment, make it difficult for some Indians to adjust to a regular working day. He finds, however, that jobs provided by the housing program and the other OEO projects are helping to bring about this adjustment.

LONG-TIME NEED

At Rosebud, as on other reservations, Indian leaders make it plain that they are looking to Washington for large-scale assistance for some time to come.

Leaders of 30 tribes met earlier this year to give their opinion on the Omnibus Indian bill proposed by the White House. Among other things, the measure would set up a fund of 500 million dollars to encourage economic development on reservations, with 20 million a year available for the first five years.

This, said the Indian leaders, is far short of the aid needed. In a resolution, they stated:

"We desire an American Indian Development Fund, of low-interest long-term nature, comparable to the funds committed to our South American cousins and the native peoples of Africa and Asia. Aid to those peoples totals in excess of 3 billion dollars annually—more than was spent on the American Indian between 1789 and 1960."

Many Indian leaders favor legislation sponsored by Representative E. Y. Berry (Rep.), of South Dakota, and Representative Morris K. Udall (Demo.), of Arizona. It would give new industrial plants set up on reservations a 10-year exemption from federal income taxes.

Mr. Berry says that a similar program, "Operation Bootstrap," has been largely responsible for raising per capita income in Puerto Rico from one of the lowest to the highest in Latin America.

BASIS FOR HOPE

One of the most hopeful signs for the future of the Rosebud Sioux, says Father Pates, is a marked resurgence of pride in their race.

This, he feels, will do more than any thing else to help the original Americans win their fight against poverty.

PERSONAL EXPLANATION

Mr. ANDREWS of Alabama. 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 Alabama?

There was no objection.

Mr. ANDREWS of Alabama. Mr. Speaker, when the rollcall was taken on the bill, H.R. 478, the gentleman from North Carolina [Mr. KORNEGAY] and I were engaged in a conference in the Rayburn Building in a room in which there were no bells, the radio recording studio. As soon as we were notified that there was a rollcall we rushed immediately to the Chamber, but arrived at the Chamber after the rollcall had been completed.

Had I been present, I would have voted for the bill, H.R. 478. Previously during the debate on the bill I made a statement to the effect that I did support the bill.

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

Mr. ANDREWS of Alabama. I yield to the gentleman from North Carolina.

Mr. KORNEGAY. Mr. Speaker, I would like to report the occurrence my friend from Alabama [Mr. ANDREWS] has spoken of. We did not know that the rollcall was on and, as soon as we did know, we rushed immediately to the floor, and arrived on the floor after the rollcall had been taken.

Had I been present I would have voted "yes" for this bill. I am very much for the bill, and spoke in favor of the bill during general debate.

IT IS TIME TO REVIEW OUR POSITION IN VIETNAM

Mr. SCHERLE. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. SCOTT] 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 Iowa?

There was no objection.

Mr. SCOTT. Mr. Speaker, as you know, I was one of those who joined in introducing this week a resolution for congressional review of the Gulf of Tonkin resolution. I have stated to my constituents the basis of my concern about the war in Vietnam through a newspaper column distributed to weekly newspapers in the Eighth District of Virginia. In order that my colleagues may also know the reasons underlying my joining in this resolution, I am inserting at this point in the RECORD a copy of that column, setting forth my views:

The war in Vietnam dominates American life today.

Under our Constitution, the Executive Branch has primary responsibility in the field of foreign policy. However, the Executive must answer to the people, and as their representatives, members of Congress must act upon increasing concern over our involvement in Vietnam.

My comments here are based on the limited information available to me. I do not have all the information I would like to have and questions have been raised regarding the credibility of available information. Most of the figures cited are from the Department of Defense, others are from Congressional committees and news media.

The war in Vietnam has become primarily an American war. We shall soon have more that a half million troops within this country the size of the State of Washington. In nearby Thailand, 35,000 more stand by. Aboard ships off-shore are another 35,000. Nearly 15,000 civilians are in South Vietnam in support of our military effort.

By contrast, South Vietnam's regular army numbers only 320,000 troops, half of whom have been withdrawn from fighting to concentrate on the pacification program. We are told that desertions from that army are running 10,000 a month.

This war affects all of us. It takes our young men. Nearly 14,000 of them have been killed. More than 80,000 have been wounded.

The war takes our earnings. The cost of the war in fiscal 1967 totals more than $20 billion. The President's budget message in January called for $1.9 billion more for fiscal 1968, and in May, Treasury Secretary Fowler said the cost would actually run closer to $24 billion. In July, the Joint Economic Committee said the war cost in fiscal 1968 would run between 26 and 28 billion dollars.

What does this mean? If you are the bread winner for a family of three dependents, earning $8000 a year, it is estimated that you now pay $425 a year for the war in Vietnam. If the President's surcharge proposal is adopted, you will pay $467.

In addition, the war economy creates an inflation which presses us with higher cost of living, shortages of skilled workers, higher wage demands, demands on money which make it harder for many to borrow money to buy homes for their families or make necessary improvements to their businesses.

The United States has committed to this war in a country 10,000 miles away, of no economic or strategic value to us, more than ⅓ of our combat-ready Army and Marine divisions, 40% of our tactical fighters and fighter squadrons, half our Marine air wings, and if we count only the Sixth fleet and not the First, which is also in the Pacific, 20% of our ships.

What have we accomplished?

Communist strength in South Vietnam has more than doubled since January 1965. We are now, in this strange war, allied with one South Vietnamese Army, fighting a small army of North Vietnamese regulars and another army, five times as big, of South Vietnamese Communists, the Viet Cong.

Why are we there?

We are told we are there because of our SEATO commitments. But South Vietnam is not a member of SEATO and SEATO as a group is not helping South Vietnam.

How did our commitment grow so large? The 1964 Gulf of Tonkin Resolution has been cited as the authority given by Congress to the Executive for expansion of U.S. participation in Vietnam. But many in Congress believe that Resolution, which stressed our unity in the face of an exchange of fire between U.S. destroyers and North Vietnam P.T. boats, was never intended as the basis for such a vastly enlarged land war.

The President and the Secretary of Defense have said that a major U.S. aim in the war is to show the Communists of North Vietnam that the price of their aggression is too high. Yet, the Secretary of Defense himself has said that even without the 50,000 North Vietnamese troops, even if all military objectives in the north are destroyed, the quarter million Viet Cong in the South could go on fighting.

There is much to question about our basis for involvement, our goals, our limited methods, and our future conduct of the war.

Congress has the sole power to declare war. The people are asking Congress to examine all aspects of this question and with a full knowledge of the facts, to exert its will.

I believe that the American people, through their representatives in Congress, must maintain control over the war. Therefore, I have joined with a large bi-partisan group of my colleagues in the House in introducing a resolution calling for committee investigation of the need for further action. In effect, this would bring a thorough review of our role in the war in Vietnam. Perhaps we can decide whether to win or get out.

The war has reached a stage where it is in the terms of the Charter of the United Nations, a danger to international peace and security. The United States more than any other nation has supported the U.N. with men and money.

Congress may well come to the conclusion, after careful study, that it is time for the United States to support the principle of the UN Charter. Perhaps Congress will recommend that the United States seek the help of the UN Security Council in bringing an immediate end to the war in Vietnam. Such action might bring a just conclusion to a war which seems otherwise to have no end in sight.

OUR BATTLELINES SHOULD BE DRAWN TO PREVENT OUR CHILDREN FROM SMOKING

The SPEAKER pro tempore (Mr. BROOKS). Under a previous order of the House, the gentleman from California [Mr. TALCOTT] is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, contributing to the delinquency of a minor is punishable by imprisonment and an accomplice to a murder may be jailed for varying terms.

Are we not all guilty of these crimes? The evidence is no longer circumstantial that cigarette smoking causes lung cancer and other pulmonary diseases. Mr. Speaker, it is the responsibility of the Congress to free itself of these charges by enacting legislation that will discourage debilitating and death-dealing cigarette smoking.

Each year 50,000 Americans are dying from lung cancer. Smoking causes an unnecessary 11 million cases of chronic disease per year. Statistics now show that male smokers are shortchanged 3.4 years of life. Life expectancy would have increased 7.4 years over the past 45 years if these 3.4 years had not gone up in smoke.

Are we to sit idly by while tobacco sentences a man to an early grave? I propose that the Congress do its part by prohibiting radio and television advertising of tobacco products between 3 and 9 p.m., and during sporting events. Also, that the innocuous warning on cigarette labels be strengthened and that the warning be required on all forms of advertising.

It is tragic that over 4,000 children start smoking each day, nearly a million and a half per year. I believe our battlelines should be drawn at this point. It is obviously easier to prevent the smoking habit from starting than it is to break it. Therefore, my bill would prevent cigarette advertising during the hours when children are watching television and listening to radio. I also would prohibit such advertising during the broadcasting of sporting events.

I realize that this foray into the battle against smoking will not be completely effective. The Federal legislation is negative. A much larger force must be mustered to enlist youngsters in the ranks of nonsmokers. I challenge schoolteachers, athletes, public officials, scout leaders, health associations, and church groups to develop positive programs to discourage teenage smoking.

The ineffectiveness of the present labeling requirement is too obvious to belabor. I suggest changing the present language from "Caution: Cigarette Smoking May Be Hazardous to Your Health" to "Warning: Cigarette Smoking Is Dangerous and May Cause Your Death," and also adding the skull and crossbones to the label.

Another reason for the ineffectiveness of the warning is the limitation of its use to cigarette packages. It should be required on all advertising—in newspapers, magazines, television, and radio. My bill requires the Federal Trade Commission to prescribe regulations so that this warning is presented no less conspicuously than other portions of cigarette advertisements.

To supply significant information on the label, my bill calls for the statement of tar and nicotine content. Research now proves that the danger from cancer is proportional to the tar and nicotine yields of cigarettes. This information should be available to smokers who wish to minimize this health hazard.

I welcome support from my colleagues for this urgent legislation and will appreciate any suggestions to make it more effective.

OUR CHANGING SCHOOLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 30 mintues.

Mr. SAYLOR. Mr. Speaker, with the start of another school year, Members of Congress should take a very close look at their respective school districts and at our colleges and universities to determine what effect the Federal Government's intrusion into the field of education is having on the Nation's academic posture. There is mounting concern about bureaucratic control that is taking a firmer grip on classroom planning and management, and this concern is coming not only from those of us who from the start have consistently opposed the very idea of permitting big government to get into our schools.

At the conclusion of my remarks, I wish to include an editorial of the Wall Street Journal which appeared at the beginning of the new school term for most areas. As the article has indicated, whatever anyone thinks, Federal control of education remains "a very lively ghost."

The August 4 report published by the National Education Association Division of Federal Relations included these paragraphs:

The principle of general federal aid for public schools remains a prime legislative goal of the National Education Association, but delegates at the 1967 Convention in Minneapolis urged continuation and improvement of existing categorical programs—such as the Elementary and Secondary Education Act of 1965, impacted areas aid, and other special-purpose federal programs.

There is mounting pressure, however, for school aid with no strings attached. The NEA legislative Commission, after months of study and review of existing federal legislation, recommended supplementing present categorical grants with a tax sharing program. Starting in Fiscal 1969 (assuming the availability of funds) the Federal Government would return $50 per school-age child to each state for the purpose of strengthening public instruction. In Fiscal 1970, the per-pupil aid would be increased to $100. The estimated cost of this program would be $2.5 billion in FY 1969, $5 billion in 1970.

By contrast, the Educational Policies Commission (cosponsored by the NEA and the American Association of School Administrators) favors the abolition of categorical aids, arguing that such programs have served their primary purpose of establishing a flow of federal funds to the states. EPC argues that the time has come to "institute practical measures which will tend to reduce dependence on categorical grants and to increase reliance on the more reliable kind of support—general support."

The NEA publication, Washington Outlook on Education, also has some very cogent remarks regarding the Education Professions Development Act of 1967:

In sharp contrast to acrimonious debate over the 1967 ESEA amendments was the smooth passage, on June 28, of a bill that would pour another $1.5 billion into the school system over the next three years—and through its language give the office of the U.S. Commissioner of Education more power than it has ever enjoyed in the past. . .

It is the breadth of this authority that places unprecedented power in the hands of the U.S. Commissioner of Education. Acting with the advice of a National Advisory Council—including elementary and secondary educators—the Commissioner is to survey educational manpower needs throughout the nation and report his findings annually. On the basis of these findings, the Commissioner may make grants and enter into contracts with state and local education agencies, public and nonprofit private agencies and organizations—virtually anyone he chooses—for carrying out the purpose of the act. . . .

In actual practice, of course, the U.S. Commissioner of Education will not enjoy pure dictatorial power in the selection and funding of programs. Congress is watching the administration of USOE programs closely; the House Special Subcommittee on Education conducted extensive hearings last year,

and will report its findings shortly. Colleges and universities, teaching organizations, and other interested groups will press for the continuation of popular institute and fellowship programs. And state and local school systems will resist any action by the Commissioner which threatens, or appears to threaten, their autonomy.

What concerns many education interests, however, is the extent to which the U.S. Commissioner (as an individual or as an institution) will be able to influence the developmment of school offerings through the broad discretionary power he has in choosing who will train or retrain the nation's teachers.

Congress must not overlook these warnings, particularly when there is available to us such an uncomplicated method of getting out of the fix that the schools find themselves in as a result of bureaucracy's admission into the classroom. NEA's proposed tax-sharing program that would start with $50 per child can begin next fiscal year—and at an actual savings in expenditures—merely by deducting the estimated $2.5 billion from the budget of approximately $4 billion that the Office of Education will be sending up for funding next year. In getting this agency out of some of the many activities in which it has no legitimate business, Congress will at the same time make available to local school systems a substantial number of the 3,200 employees now on the Office of Education payroll.

The economic benefit of closing out a good portion of this Office and sending the money back where it belongs is incentive enough, for it would give school districts the wherewithal to provide wage increases for underpaid teachers and to purchase teaching tools and equipment that local officials may choose to install. More important, it would take away the dangerous bureaucratic control about which NEA is coming to worry and which should create fear in every last person who objects to national standardization of our educational system.

But there is still more money that should be removed from the greedy hands of bureaucrats and made available at the local level. On July 30 the distinguished Representative from Oregon [Mrs. GREEN], who is a member of the Committee on Education and Labor, was interviewed on Washington television station WMAL by Mr. Joseph McCaffrey, a highly respected commentator who has established an enviable record for objectivity in his programs.

In response to a question about conflicts between elected city officials and representatives of the so-called anti-poverty program, Mrs. GREEN said:

I must say that I was surprised and a little bit shocked by one of the Community Action Program people from my own State of Oregon who came in the other day. One of his statements was that we want Congress to give CAP, the Community Action Program, more power to compel others to work with us. Now, here's an agency, not one of whose board members was elected. In fact, he said it's a self-perpetuating board. They appoint themselves. They're not responsible to any elector and this man stated that he wanted Congress to give them the power, for instance, to compel the schools—and they have an elected school board. The people elect members of the board.

I question this kind of procedure that could overrule an elected board. After all, the majority of the people elect the ones who are running the governments. Maybe they are inadequate, maybe they don't do the job, but at least they are duly elected in our democratic procedure and it seems to me that these anti-poverty agencies should not be used to oppose that, but rather to work very closely with the elected officials, to bring new ideas and suggestions, and to cooperate in every way.

Later in the program, on the subject of the Headstart program, Mrs. GREEN said:

Again, I was talking to one of the people who is head of a Community Action Agency (they run the Headstart Program in that community) and I said: "Whom do you get to run it, the schools?"

"No, they hired their own people. The two top teachers that ran the Headstart Program in this community," he said—and he was really bragging about it—were high school drop-outs and they gave them a two months intensive educational program so that they would have the equivalency of a high school certificate. Then they put them in charge of the Headstart Program.

In another community a Head Start teacher was paid more than the kindergarten or the other elementary teachers because she was paid with 90% federal funds. She had 20 youngsters and two aides during the day. The kindergarten teacher next door, paid with the local tax dollars on which the people had put a ceiling through their votes, had 30 youngsters in the morning and 30 youngsters in the afternoon and no help, no aides at all.

Now, if you had both programs, both the Head Start and the kindergarten, under the same educational agency, any principal or superintendent, I think, would say it would make better educational sense to have some kind of a fair division here, so that one teacher wasn't burdened with 60 youngsters and no help. Now, I think that there's no doubt we're not doing enough in the kindergarten and the first grades. But the Follow Through program, which will be administered by the Office of Education, will help to correct the matter.

What has happened, Mr. Speaker, is that not only the Office of Education has invaded the local classrooms, but the Office of Economic Opportunity has followed right behind to lend more confusion and exert more Federal influence over our teachers and students. You can take Headstart out of OEO and put it into the Office of Education, as some of my colleagues have suggested, but you are still going to have all of the waste and Federal assumption of power that goes with it. If we take all the money that is going into these two programs and turn it over where it should be, we will give local school boards a chance to improve their teaching staffs and their facilities without exposing boys and girls to the goosestep cadence that will develop if Washington calls the tune.

There is no question but that some of our schools are antiquated both in structure and in teaching methods. Some districts have been accused of following 18th-century practices, but in no case is the Federal Government justified in mandating change in procedure. For the RECORD, I should like to include at the conclusion of my remarks an editorial "Our Changing Schools," with an accompanying article, from the Wall Street Journal of August 9. Here is a review of some of the problems that confront local school districts, and of student potential recognized only recently.

Improvement in backward schools will come primarily from employment of better teaching talent, and better teachers are going to be attracted only when salaries are adequate. The same rule applies in the case of school superintendents, principals, and other officials. As the Wall Street Journal points out, better salaries are needed to bring superior students into teacher training.

Admitting that there are still rough spots in some of our schools, I perceive no reason why elected Members of Congress should under any circumstances allow a bureaucratic agency to impose its autocratic will upon duly elected and duly appointed local schoolteachers and officials. Despite all the critics of our educational systems, I for one am encouraged at the progress that America has made in bringing book learning to our people. Half of all Americans 25 years or older have had at least 12 years of elementary and high school education as compared with the one-third of 20 years ago when figures of this nature were first compiled. Almost 10 percent have had 4 years or more of college, twice the number in 1947.

Perhaps these figures are not sufficiently impressive for promoters of the scheme to have the Federal Government assume dominance over the Nation's educational systems, but to me they are an indication of marked progress. Furthermore, I abhor the prevailing efforts to infer that success is entirely dependent upon a college education. To advocate that every boy and girl, man and woman, obtain as much formal education as possible is judicious advice, but to imply disaster for those who choose or are unable to go further than high school is baseless and unjust. At the conclusion of my remarks I should also like to insert in the RECORD an editorial from the March 24, 1967, Johnstown, Pa., Tribune-Democrat entitled "Everyone Can't Go to College."

I ask that my colleagues note particularly the last paragraph of that editorial:

And although everyone does not need a college degree, it would help if more of the budding plumbers, auto mechanics, etc., were to receive a type of higher education—such as at vocational-technical high schools and post-graduate technical institutes.

Without question there is an urgent need for more and expanded technical schools to accommodate the youth who do not seek a college degree. With finances to initiate and support technical programs, State and local school districts can make this service available to those who today are understandably disturbed and discouraged at the lack of educational facilities for developing trades and skills that may lead to well-paying careers without college training. Through the years there have been youngsters without ability to pursue higher studies but with talent for carpentry, gardening, painting, mechanics, and an assortment of other occupations where improvement can come through technical and trade schools. A start to-

ward providing local districts with the funds necessary for such programs could come through release from the Federal Government of a stipulated amount per schoolchild, as suggested by the NEA.

The one precept to be honored in releasing these funds is that bureaucracy must keep hands off. States and communities should by both logic and constitutional right plan educational programs without Federal interference. In a review of the dilemma that is besetting the Washington, D.C., school board since a Federal judge ordered abandonment of the track system—grouping children in classes according to intelligence scores and performance—the Washington Post—in an editorial which I shall insert in the RECORD along with other material to which I have referred—came to this conclusion:

> It is wise to recognize that there is no pattern which can usefully be applied to every school in this large and diverse city.

On this premise, it would seem to be particularly wise to recognize that there is no one pattern which can usefully be applied to every school in this large and diverse land. Yet ambitious officials in Federal Government either do not recognize or do not care to accept this truism.

On the one hand we are confronted with an Office of Education whose arrogance increases in proportion to the volume of funds it is permitted to dispense and administer. At Senate subcommittee hearings in July the Democratic Senator from Texas said that—

> Complaints that the most dictatorial orders ever had in any branch of government are about your Office of Education.

On the other hand, we find a recently formed bureaucracy fostered by the Office of Economic Opportunity also attempting to seize powers of local school boards. Harassed with this dual threat, our school systems will become progressively less attractive to member and potential members of the teaching profession.

Another handicap to efficient school administration is the Federal Government's penchant for constant communication with local authorities. The Pittsburgh Press of August 10 contained this excerpt of a news story filed out of Washington:

> A school director from suburban Pittsburgh today urged the U.S. Office of Education to stop burying local school officials in "mountainous reports and paperwork."
>
> "The reports," said Fred M. Heddinger (president of the Wilkinsburg School Board, vice president of the Pennsylvania School Boards Association, and Secretary of the Allegheny County School Board), "have been so numerous and so voluminous that I have difficulty finding time to read them."
>
> Mr. Heddinger said the required reports apparently stem from a desire by Federal officials to serve as directors and managers of local programs when they should be encouragers and assessors.
>
> "It is unlikely that these reports serve any useful purpose at the Federal level except to require additional personnel to receive, document, and file them" he said.

In view of the growing registers of testimony—much of it from those who have supported Federal entry into the field of education—citing suspicion, dissatisfaction, annoyance, and disgust with bureaucracy's presumption, impudence, bungling, and waste, Congress should without delay undertake an entire readjustment of the whole complex problem into which we have been plunged. NEA's recommendation for a return of $50 per school-age child from the Federal Government for the purpose of "strengthening public instruction" can begin in fiscal 1968 merely by putting the Office of Education on notice that a cutback of $2.5 billion from the current budget will take effect next July 1. The resultant reduction in force of OEO need create no undue hardships on members of the teaching profession now occupying chairs at USOE, for the demand for good teachers in public and private institutions will continue to mount far into the future.

At the same time Congress can notify the Office of Economic Opportunity and its myriad of subsidiaries that henceforth any Headstart or Follow Through program will be conducted by and under the exclusive aegis of local school boards, which in turn will be happy to hire qualified OEO personnel—although it is unlikely that many of the school dropouts cited by the Member of Congress from Oregon [Mrs. GREEN] will find themselves in positions superior to experienced kindergarten teachers whose life work has been devoted to getting children off on the right start in the world of education.

Our obligation is clear. To delay is to lend encouragement to what has been clearly documented as a deplorable situation.

[From the Wall Street Journal, Sept. 5, 1967]

A VERY LIVELY GHOST

According to Charles Cogen, president of the American Federation of Teachers, fear of Federal control of education is a "worn-out ghost." Much as we'd like to, we don't find his comment realistic or reassuring.

True, local school boards are still in business even though, as Mr. Cogen notes, "the Federal Government is already a partner in our educational enterprise." A heavy-spending partner, too, with Federal outlays on elementary and secondary education expected to total about $2 billion in the current fiscal year.

It's difficult, nonetheless, to describe Washington as exactly a silent partner. Much of the Federal money is assigned to education of the "disadvantaged," while other sums are earmarked for purchase of specific items such as books and equipment. And the Government hasn't been at all shy about setting rules and standards for everyone to follow.

After all, why should it be? A Government spending billions of dollars of the taxpayers' money would be wholly derelict in its duty if it didn't try to keep some sort of tabs on where the funds go.

Mr. Cogen himself clearly recognizes that the Federal purse is powerful, and he'd like Washington to begin wielding it even more forcefully. What he suggests is that the Government draw up a "master plan" setting minimum standards for all public schools in the U.S. What happens to schools that don't fall in line? The answer is obvious: They won't get Federal aid.

In Mr. Cogen's view, the Government among other things should set minimum teacher salaries and maximum class sizes and teacher work loads—all matters that local school boards now consider within their province. He does not propose that Washington tell teachers what to teach, but that sort of step would not necessarily lie too much farther down the road he wants to open.

Fortunately, there appears to be little chance for early approval of Mr. Cogen's plan. His idea might not even be worth taking seriously if there weren't many others, including well-meaning educators, who argue the need for more centralized control of the public schools.

Superficially, the centralizers would seem to have a case. In no field of such vast importance is so much authority entrusted to widely scattered groups of amateurs, which is of course what school board members are. Each of the many thousands of boards—so far, at any rate—largely goes its own way, without having to bow to the dictates of some higher power. Some board members know little of school matters or serve only for the local prestige involved.

There are reasons to believe, though, that the average quality of the nation's school boards is remarkably high. While there is, and always will be, room for improvement in the school system, the caliber of its output hardly justifies demands for sweeping overhaul of school control.

Whether school boards are dedicated or not, their diversity reflects the country's diversity. The best curriculum for Larchmont, N.Y., may not be the best for Little Falls, Minn., at all. A teacher's salary that may seem munificent in a rural community may not be a living wage in a big city.

In the absence of firm central control, local boards can be free to react to changing ideas and conditions in education. As a series on this page has been stressing, schools must change to keep up with a world that never stops moving.

The process is not neat and orderly, and that fact offends some observers. But we prefer to take our chances on sound educational policy seeping up from the bottom, rather than on having an agency, run by professionals, dictate its own idea of sound policy at the top. Professional educators' past ventures into permissivism and the like hardly justify complete capitulation to their views in the future.

The nation may never make such a surrender, but it plainly is heading toward it. Whatever anyone thinks, Federal control of education remains a very lively ghost.

[From the Wall Street Journal, Aug. 9, 1967]

OUR CHANGING SCHOOLS

Elsewhere on this page appears the first of several articles on new developments in education. The intent is not to be comprehensive but rather to point up that, in this area as in others, intelligent change is both essential and often extremely difficult to achieve.

Resistance to change is of course a common vice in vast institutions, and U.S. education surely is vast. At last count there were well over 100,000 elementary and secondary schools, the great majority of them publicly financed. The taxpayers' outlay on education runs to more than $30 billion every year.

Teachers and administrators frequently are reluctant to move in new directions; their task is difficult enough without a constant rewriting of the rules. Even when school men are eager to move, taxpayers may oppose paying the inevitably higher bill.

In support of the status quo it's possible to cite past achievements of U.S. schools. The most notable is American technology, still the envy of the world, but the arts and humanities haven't been as neglected as their supporters sometimes contend.

The gains, however, would not have come about if education had not been, in one way or another, adjusting to its changing environment. Some of the changes were anything but wise; traces of the ills of "Deweyism" still linger on, for example. But others, such as the consolidation of tiny, inadequate

schools into larger, more effective units, were vital.

At the moment one change in the public schools' environment is of prime importance: The influx of children, both Negro and white, from intellectually deprived backgrounds.

To cope with this development schools will have to adjust not only physical features—classes, books, teaching materials and the like—but people and ideas. Unfortunately, things can be far easier to alter than people and ideas.

One reason is that there's more polished salesmanship behind the new things, such as language laboratories and teaching machines. In the right hands these devices can be astonishingly useful, particularly for students needing special help, but school administrators on occasion appear to regard them as almost an end in themselves.

To be sure that the tools go into proper hands, especially in view of the problem of backward children, the nation needs improvements in teacher education (and, in many areas, better salaries to attract more superior students into teacher training). In too many schools of education the emphasis still is excessively on how to teach, and insufficiently on what is to be taught.

If schools are to benefit children from deprived backgrounds, they will have to become more selective in what they teach to whom; many students must learn ideas that others have absorbed outside of school. The same curriculum for all will be far too stiff for some, not nearly demanding enough for others. And if the nation is to build intelligently for its future, pupils who can handle more advanced instruction must be offered it.

Selecting this elite of ability, wherever it may be found, is in itself difficult enough; it involves, among other things, the chancy process of communication between generations. Even more arduous, oftentimes, is the effort to override the objections of many educators and civil-rights spokesmen to what is, undeniably, a form of discrimination.

That kind of change in the direction of excellence, like most of the others, is unlikely to be quick or cheap. Yet if education is not to level but uplift mankind, it is a change that must be made.

[From the Wall Street Journal, Aug. 9, 1967]

OFF TO COLLEGE AT 15—IS IT A GOOD IDEA?

(By Herbert G. Lawson)

Should unusually gifted students be encouraged to enter college a year or two before they would normally graduate from high school?

Most educators say no. They claim that high school curriculums are improving so rapidly that even the brightest student can be challenged to the limits of his talent: they argue that 15- and 16-year-old high school sophomores and juniors aren't ready socially and emotionally to jump into the wider world of a university campus; and they fret that high schools shouldn't be deprived of the stimulating impact on other students of high-IQ pupils.

Nonsense, say critics. "Some high schools are very good and some are obviously lemons," notes Herbert Howe, professor of classics at the University of Wisconsin. Prof. Howe was advisor during the 1950s to 162 Wisconsin undergraduates who were part of an experiment to find out whether exceptional students could skip the last year or two of high school. (Almost all the students did well at Wisconsin, and two compressed high school and college into five years, graduating Phi Beta Kappa.)

The controversy over college entrance for students without a high school diploma is a peculiarly American dilemma of the 20th Century. It raises fundamental questions about "democracy" in schooling and the proper emphasis that should be placed on academic ability as opposed to social maturity and "adjustment."

COTTON MATHER, FOR EXAMPLE

Many European school systems single out the brightest pupils early and speed them along to university programs as quickly as their abilities permit. This was the system in colonial America when Cotton Mather, the famed Puritan author and clergyman, entered Harvard at age 12 in 1674.

The 20th century brought a new concept of mass education in America. Few would challenge its necessity, but it brought problems. "After 1900, when the ideal of mass education began to take hold in the U.S., the practice of advanced or individual placement almost disappeared from our college admissions procedures," according to David A. Dudley, director of admissions at the Illinois Institute of Technology.

In its effort to educate everybody, the American secondary school had little time for the exceptional student. "Too often," said the Ford Foundation, "the able student is prevented by the 'lock step' from progressing as far or as fast as his abilities will permit. Too frequently the result is boredom, loss of momentum and serious waste of time in moving toward intellectual and professional objectives."

The Ford Foundation decided to do something about such students. In 1951, 420 high school students around the nation—most of whom were 15 or 16 years old and had just finished their sophomore or junior years—left home for college. In rigorous examinations, they had won Ford scholarships to 11 U.S. colleges and universities, including Yale, Wisconsin, Columbia and Chicago. They were the vanguard of 1,350 students in the next three years who received $3.4 million in tuition and expenses from the foundation to test the theory that a year or two of secondary education could be profitably skipped by carefully screened students.

The results were astounding to many conservative high school principles and teachers. The Ford scholars quickly became the academic leaders in their colleges. Most were in the top half of their classes, even as freshmen when the adjustment to college was greatest. As sophomores a large group of the young students took a special liberal arts test designed by the Educational Testing Service. The test was also given to a large sample of normal-age college seniors and graduate students. The Ford students "demonstrated that they had a better grasp of the basic concepts of a liberal education than a large body of American college seniors and first-year graduate students," the foundation reported.

While this and other exhaustive testing and scrutiny of grades seemed to prove the academic readiness of the young students, a tougher point to demonstrate was the "maturity" or social precocity of the "Fordies," as some older students labeled them.

A team of Harvard and Yale doctors and psychiatrists, as well as the associate director of the College Entrance Examination Board, evaluated the underage students' emotional adjustment to college. Their psychiatric problems, drop-out rate, dating and other factors were measured against a carefully matched group of controls—normal-age students of similar backgrounds and intelligence. The conclusion of all the evaluators was that the Ford scholars adjusted as well to college life as the control group of comparison students.

The greatest problems came at schools such as Yale, where the underage scholars were segregated in special dormitories (one was nicknamed "the nursery" by regular students). But the schools soon recognized that they were acting like over-protective parents; when the Ford students were treated like all others, they adjusted quickly.

Most of the Ford scholars went on to graduate study, aiming at careers as college teachers or in professions such as medicine. But even those who entered the job market at 19 or 20 years of age had no apparent difficulty. Some entered military service with Reserve Officer Training Corps commissions.

The foundation concluded that early college admission "under the proper circumstances . . . represents a promising approach to the problem of enabling the very best students to realize their full potential."

The experiment has had an impact, but it was less than revolutionary. The schools accepting the Ford scholars all continued to leave the door open to underage freshmen without high school diplomas. At least two dozen other schools followed suit. But there is still scant encouragement of early admission and even less financial backing.

Columbia will admit "six or seven" young students this fall who have completed the junior year of high school. One is a Rochester, N.Y., boy who "will be challenged only by the very best we have at the university," says Erwin Glikes, assistant director of admissions.

Mr. Glikes expresses the reservation about early admission that is echoed by countless admissions directors. "The Ford Foundation experiment was a success on paper but I've heard it said that something very valuable was lost for these young students," he says. "Perhaps the thing lost was the time for reflection, growth and intellectual adventure as an undergraduate."

Columbia insists that the small number of underage students it now admits meet rigid standards. One is that they come from a secondary school that can't provide a "full and challenging" program. Wisconsin similarly tries to limit its half-dozen or so yearly admissions of young students to those from academically impoverished schools.

THE SHIMER APPROACH

Tiny Shimer College in Mt. Carroll, Ill., is one of the few schools unafraid of early admissions. About one-fifth of its freshman class of roughly 200 students don't have high school diplomas. Shimer, an unorthodox school that stresses a core curriculum of liberal arts for all students, was once run by the University of Chicago. Ralph Hough, director of admissions, says, "Many of the faculty consider our early admission scholars the pace-setters."

The University of Chicago was one of the first proponents of early admission under Chancellor Robert Hutchins three decades ago. It still admits 15 or 20 underage freshmen in its class of 700 each year, but "We don't make any distinct recruiting effort for them," says Margaret Perry, associate director of admissions. She adds, "After Sputnik stimulated increased interest in secondary education, there's been less need for early admission."

Educators almost uniformly agree that high schools are beefing up curriculums. "We now get freshmen who've read Locke, Hobbes and Rousseau," says Miss Perry, who also teaches English at Chicago. Prof. Howe at Wisconsin notes with some amazement that high school grads "now come here who have read the Odyssey and Greek plays and can discuss them at a reasonably high level."

One of the most important changes in many high schools is the Advanced Placement Program begun in the early 1950s as another Ford Foundation-financed experiment. The concept is to provide college-level courses in the high school for bright students. The courses are taught by qualified high school faculty members, using texts and course outlines approved by the College Entrance Examination Board, which administers the program. Students take any of the 12 courses—in subjects ranging from American history to physics—while carrying the normal high school course load.

Students who pass tough tests after taking these courses are admitted to most U.S. colleges with advanced standing and often college credit for the work done. About 42,000 students in 2,800 high schools took the May

1967 exams, a huge increase from the 1,200 students in 104 schools when the program started in earnest in 1955.

CAN HIGH SCHOOL EQUAL COLLEGE?

The Advanced Placement Program, despite its growth, isn't a complete answer to educating precocious youngsters. It's actively pushed in only 15% of the nation's 20,000 high schools, notes Paul Kelly, director of the board's Southwest regional office. More importantly, the question remains whether any high school "enrichment" program can equal the stimulus of college. "I don't think the same kind of motivation exists in high school as on a good college campus," concedes another board official.

Nevertheless, educators—high school principals in particular—are loath to consider any major expansion of early college for non-graduates of secondary schools. "Many principals feel it shows up the inadequacy of their school to send off their best sophomore or junior students to college," says Prof. Howe. "And many feel that the universities are full of vice and godless beatniks."

If so, it may well be that it is the principals who must be educated before the fullest opportunity can be given to the small but important group of youngsters who could benefit from early admission to college.

The debate over early admission will clearly continue. As the Ford Foundation puts it, "The risks of entering college early have been the subject of much popular concern, and properly so. But too little thought has been given to the risks run by an able student in an unchallenging environment in *not* entering college early."

[From the Washington (D.C.) Post, Aug. 4, 1967]

HOPEFUL BEGINNING

Washington's School Board is now moving rapidly and effectively to effect very substantial reforms before classes begin in September. The impressive range of the plans presented by the acting superintendent, Mr. Henley, last Friday suggests that many people in the school administration were only waiting for an invitation to move in this direction.

The Board's action so far confirms the impression that, while Judge Wright's decision in the Hobson case has forced the schools to change, the most important changes have little to do with the Judge's order. Transferring children into the empty seats west of Rock Creek Park will be very useful in relieving overcrowding in Southeast Washington. But there is space for only about 615 more children in the Northwest schools, and the impact on the school system as a whole will not be great.

Much more important, the School Board has declared that each school's staff now has the responsibility to work with parents in developing "the organizational pattern which best meets the needs of the community it serves." These words are the beginning of a policy of decentralization and community participation that can bring immense benefits to the children. Some principals will, of course, resist the idea of working with parents. But the purely educational benefits of this style of cooperation are indisputable.

Most of the best elementary school principals have long since abandoned the track system, but most of the others will require a good deal of help and encouragement in reorganizing their classes. It is wise to recognize that there is no one pattern which can usefully be applied to every school in this large and diverse city.

[From the Johnstown (Pa.) Tribune-Democrat, Mar. 24, 1967]

EVERYONE CAN'T GO TO COLLEGE

The college-for-everybody concept has come under rather sharp, though deserved, criticism from one of the nation's leading educators.

"Stop blathering about college for everyone" is the way it was put by Calvin E. Gross, dean of the school of education at the University of Missouri and former superintendent of public schools in Pittsburgh and New York City.

Speaking at the 22nd national conference on higher education, Mr. Gross recommended that educators should concentrate on providing each individual with the kind of education appropriate to his needs, abilities and achievements.

Such advice is going to go against the grain, of course, for those who feel that the only way to any measure of success in modern America is through the gate marked alma mater. But it is evident that Mr. Gross doesn't mind rubbing such thoughts the wrong way.

He said that it is harmful to higher education and to students to admit people to college "just because they've gotten old enough. If ill-qualified students are enroled, college standards inevitably will be lowered."

To illustrate his point, Mr. Gross noted the problem of poor reading ability. He said that students with third-grade-level reading skills are common in community colleges, noting that remedial reading courses are becoming standard at universities. And he suggested, quite sensibly, that remedial reading instruction and other such programs should be provided somewhere besides in the college themselves.

A side benefit accruing from having universities maintain standards of admission was noted by Mr. Gross. By keeping their standards at a respectable level, the universities exert a pressure on high schools to do a better job of preparing qualified people for higher education.

As a further rebuff to the college-or-nothing-at-all school of thought, Mr. Gross urged that efforts be made to "engender respect for every honest vocation." He said:

"There is nothing wrong with being a happy blacksmith, provided he is free and earns a comfortable living. We keep trying to make trees out of rosebushes."

That statement brought a measure of dissent from some in the audience at the education conference, with somebody saying that the demands of modern citizenship require that a person be more than a happy blacksmith.

That seems to indicate that a blacksmith can be happy only if he has a college degree. Which, of course, is not true. A college education admittedly can help tremendously in an individual's being able to do certain tasks, but desirable as a college degree can be it is ridiculous to believe that the halls of ivy and they alone can lead to a productive life.

If, however, everyone can be assured of a college education, well and good—provided that some of the degree holders will be content to be plumbers, auto mechanics, common laborers of all sorts for these and similar jobs are as important—if not more so—than those that absolutely require a college education.

And although everyone does not need a college degree, it would help if more of the budding plumbers, auto mechanics, etc., were to receive a type of higher education—such as at vocational-technical high schools and post-graduate technical institutes.

ADVERSE EFFECT OF IMMIGRATION AND NATIONALITY ACT OF 1965 ON IRISH IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 20 minutes.

Mr. RYAN. Mr. Speaker, the Immigration and Nationality Act of 1965—Public Law 89-236—was intended to facilitate immigration to the United States; it represents a new approach free from the inequities which restricted immigration for so many years. However, certain unforeseen difficulties in its implementation have created serious hardship, closing "the golden door" to many worthy immigrants.

It is time to recognize that changes are necessary to expunge inequities in the new law and make its operation conform to its noble purpose.

One of the most urgent problems concerns the labor certification process required by section 212(a)(14) of the act (8 U.S.C. 1182 (a) (14)).

Prior to the effective date of the new law, December 1, 1965, an alien seeking to enter the United States for the purpose of performing skilled or unskilled labor was not eligible to receive an immigration visa only—

. . . *if* the Secretary of Labor has determined and certified to the Secretary of State and to the Attorney General and (A) sufficient workers in the United States who are able, willing and qualified are available at the time (of application for a visa and for admission to the United States) and place (to which the alien is destined) to perform such . . . labor, or (B) the employment of such aliens will adversely affect the wages and working conditions of the workers in the United States similarly employed . . . (Section 212 (a) (14), 8 U.S. Code 1182 (a) (14) (1964 ed).)

Moreover, only nonpreference aliens described by 8 United States Code 1153 (a)(4)—1964 edition—and certain nonquota immigrants described in sections 1101(a)(27)(C), 27 (D), and 27 (E) of title 8 of the United States Code—1964 edition—were subject to exclusion if the Secretary certified the existence of the requisite conditions.

The present law provides that, among others, the following aliens shall be ineligible to receive visas:

Aliens seeking to enter the United States, for the purpose of performing skilled or unskilled labor, *unless* the Secretary of Labor has determined and certified to the Secretary of State and to the Attorney General that (A) there are not enough sufficient workers in the United States who are able, willing, qualified, and available at the time of application for a visa and admission to the United States and at the place to which the alien is destined to perform such . . . labor, and (B) the employment of such aliens will not adversely affect the wages and working conditions of the workers in the United States similarly employed. . . . (Section 212(a)(14) 8 U.S. Code 1182(a)(14) (Supplement II 1965-66))

Under the previous law, such an alien could not obtain an immigration visa unless the Secretary of Labor had certified either that there were unavailable in the United States a sufficent number of workers for the particular job involved or that the employment of such alien would not adversely affect wages and working conditions. Present law precludes the granting of a visa to such an alien unless the Secretary of Labor has certified—and the proper authorities have received notification of said certification—that a sufficient number of workers are not available in the United States and that admission of said alien will not adversely affect wages and working conditions.

The effect of the change was to shift

the burden of proof from the Secretary to the alien. Under the previous law it was presumed that a job opening existed and that working conditions would not be adversely affected if the Secretary had not certified to the contrary.

The report of the House Committee on the Judiciary accompanying H.R. 2580 stated:

"The amended section 212 (a) (14) represents a substantial departure from existing law. Presently, the provisions of section 212 (a) (14) operate only when the Secretary of Labor invokes them by certification . . . This procedure is reversed under the amendment. Responsibility is placed upon the intending immigrant to obtain the Secretary of Labor's clearance prior to issuance of a visa." House Report No. 745, 89th Congress 1st Session p. 14 (1965).

A labor certificate is required of immigrants from any independent country in the Western Hemisphere—101(a) (27) of the Act, except for parents, spouses, or children of U.S. citizens or of aliens admitted into the United States for permanent residence—third and sixth preference aliens and nonpreference aliens defined in section 203(a) (3), (6) and (8) of the Act respectively (8 U.S.C. 1153(a) (3), (6), and (8) (Supplement II 1965–66)).

Under current administrative procedure an alien for whom a labor certificate is required must file an application, U.S. Department of Labor form ES–575A, stating among other things, the alien's abilities and qualifications. In addition, the prospective U.S. employer must fill out and file with the local State employment service office form ES–757B indicating the nature of the work and describing the efforts made to find qualified employees within the area.

For certain categories of workers the Secretary has determined:

". . . There are not sufficient workers who are able . . . and available for employment . . . and the employment of aliens in such categories . . . will not adversely affect the wages and working conditions of workers in the United States similarly employed." [29 Code of Federal Regulations 60.2 (a) (1)]

In effect, it is presumed that there exists a nationwide shortage of workers for such categories, listed on schedule A. Schedule A, however, includes only aliens who have received an advance degree comparable to a Ph. D. or masters degree of American universities; aliens holding degrees from accredited institutions of higher learning in certain professions specified by the Secretary; and aliens who perform certain religious functions. Although aliens covered by schedule A must file form ES–575A, his prospective employer need not file form ES–575B describing prospective employment and alleging inability to find qualified employees within the United States. A dearth of such employees is presumed.

Schedule B lists jobs for which the Secretary has determined that no certification can presently be made.

Schedule C is a list of occupations which have been found to be in short supply generally—although not nationwide as in schedule A. This schedule includes not only certain jobs of the sixth preference variety, but any person qualified as a professional or who has exceptional ability in the sciences or arts and whose occupation is not listed on schedule A. This latter group is eligible for a third preference visa.

An alien applying for a schedule C job need file only form ES–575A—29 Code of Federal Regulations 60.3(b). I understand, however, that his chances of obtaining a certification are higher if both ES–575 A and B are filed.

The available evidence indicates that the shifting of the burden from the Secretary to the prospective immigrant has resulted in extreme hardship for those faced with unfamiliar customs and procedures. The hardship is compounded for the many who find it difficult, if not impossible, to handle the English language with the facility necessary to negotiate the redtape involved.

Moreover, except for the select few jobs listed on schedule A, the alien, while in his own country, must not only find an existing job opening, but he must show via his prospective employer the nonexistence of available employees already in the United States and that his presence will not adversely affect wages and working conditions. Whether the average employer will subject himself to the uncertainty and redtape involved is highly questionable.

The American Immigration and Citizenship Conference in a "Memorandum on the New Immigration Law With Particular Reference to the Labor Certification Requirement, February 23, 1967" stated:

. . . Thus, the law now places the burden of proof on the immigrant who is far removed from the American scene.

They have to submit U.S. Department of Labor Form ES–575A and get an employer who is willing to employ them and who will fill out Form ES–575B. These forms are in addition to the regular visa petition forms.

This procedure presents numerous difficulties and delays in that an employer has to show the efforts he has made to find an American worker through a variety of ways, indicating that there are no resident workers available . . . the employer has to go through the long drawn out process of filling out Form ES–575B for a person whom he has never seen and who, because of the complications of administrative processes undoubtedly could not come to him for months, during which period any number of new conditions might arise. If this procedure proved so difficult formerly in connection with highly specialized professionals, how much more cumbersome and even open to misuse will it be for the average immigrant? It is questionable how many employers would be willing to go through this process. (See CONGRESSIONAL RECORD, vol. 112, pt. 9, p. 11543.)

As difficult as the procedure faced by "qualified immigrants who are members of the professions" may be, it is even more difficult for sixth-preference category applicants.

Earlier this year I presented statistics indicating that the new law was an important factor in the decline of those immigrating to the United States from Ireland—CONGRESSIONAL RECORD, May 18, 1967, page 13166.

That study, prepared at my request by the U.S. Embassy in Ireland, stated that among the several reasons for a decline in Irish immigration to the United States—

There is no doubt that section 212(a) (14) of the Act has caused a decrease in Irish immigration to the United States. As many Irish visa applicants are unskilled or semiskilled workers, they are unable to qualify under section 212(a) (14) as amended.

Although statistics for fiscal year 1967 have not yet been made available by the Visa Office of the Department of State, the figures for fiscal year 1966, during which the law became effective—December 1, 1965—indicate a sharp decrease in visas issued to Irish immigrants.

Compared to preceding issues.

Fiscal year:	*Visas issued*
1962	5,354
1963	6,237
1964	6,328
1965	5,378
1966	3,071

(Annual Report of the Visa Office, Bureau of Security and Consular Affairs, Department of State, p. 28, 1966.)

This same report at page 42 shows that between July 1, 1965, and November 30, 1965, 2,422 non-preference immigrants and selected immigrants of special skills from Ireland obtained visas. On December 1, 1965, the new law became operative. Between that date and July 30, 1966, only 385 visas were issued to Irish immigrants in the third, sixth and nonpreference categories—see page 45. Admittedly, part of the discrepancy may be accounted for by the attempt of many to obtain visas before the new law became effective when they might otherwise have waited until later in the fiscal year; but, as indicated by the U.S. Embassy, it is only a partial explanation.

I have recently received from the U.S. Embassy in Ireland a letter dated September 12, 1967, signed by Ambassador Raymond R. Guest, updating to June 30, 1967, the date on visas applied for and issued to Irish immigrants. I include it at this point in the RECORD:

EMBASSY OF THE
UNITED STATES OF AMERICA,
Dublin, Ireland, September 12, 1967.

Hon. WILLIAM F. RYAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RYAN: I refer to your letter of August 8, 1967, and to our interim reply of August 16, 1967, in regard to the data which you requested concerning the trend of Irish immigration.

In reply to your specific questions, the statistics for the period April 1, 1967, through June 30, 1967, are as follows:

1. Question: All persons who have made an inquiry regarding immigration from Ireland to the United States.

Answer:

April	440
May	445
June	299
Total	1,184

2. Question: All persons for whom a petition or labor certification has been approved, or who have established their exemption from the provisions of Section 212(a) (14) of Immigration Act of 1965, i.e. applicants for immigrant visas.

Answer:

April	250
May	248
June	215
Total	713

3. Question: The number of immigrant visas issued, and refused to Irish applicants by each preference category, as well as immediate relatives and special immigrants.

Answer: See Table 1 (enclosed).

4. Question: The occupations of applicants to whom immigrant visas were issued under the third, the sixth and the nonpreference categories; by category.

Answer: See Table 2 (enclosed).

5. Question: The number of preliminary visa questionnaires which gave occupations listed in Schedule B of Title 29, Part 60, Section 60.2(a)(2), Subtitle A of the Code of Federal Regulations (CFR).

Answer:

April	3
May	4
June	nil
Total	7

6. Question: The number of applicants for visas giving occupations listed on Schedule C of Title 29, Part 60, Section 60.3(c), Subtitle A of the Code of Federal Regulations (CFR) and the number of persons, by category, who applied under Schedule C but were turned down.

Answer: Although we do not keep statistics on those applicants who qualify for Schedule C certification, it is estimated that approximately 25 applications for direct certification under Schedule C were submitted to the Department of Labor during the period from April 1967 through June 1967. Of these applications for certification, approximately 2 or 3 were not certified. When an applicant is refused certification under Schedule C, he is informed that an employer in the United States should apply for certification on his behalf. The majority of Schedule C applicants who have not received certification are primary or Montessori teachers who do not have university degrees.

Since Schedule C certification has become effective, we have observed that more secretaries and other skilled workers who qualify under Schedule C are being issued immigrant visas. No doubt prior to the establishment of Schedule C, many of these applicants experienced difficulty in finding employers in the United States to apply for certification on their behalf. Other than this factor and the normal summer increase in immigration we have noted no new trends in Irish immigration since April 1967.

Sincerely yours,

RAYMOND R. GUEST,
American Ambassador.

TABLE 1 (QUESTION NO. 3).—IMMIGRANT VISAS ISSUED AND REFUSED AT DUBLIN TO IRISH APPLICANTS

Classification	Apr. 1 to June 30, 1967	
	Issued	Refused
Preference and nonpreference:		
1st	1	2
2d	9	1
3d		
4th		
5th	91	20
6th	2	
Nonpreference	351	36
Total	454	59
Immediate relatives:		
IR-1	6	3
IR-2		
IR-3		
IR-4	4	
IR-5	4	2
Total	14	5
Special immigrants:		
SA-1		
SA-2		
SA-3		
SB-1	18	
SD-1	2	
SD-2	1	
Total	21	

It should be noted that the majority of applicants, who are shown as having been refused visas, ultimately overcame the grounds of their ineligibility and were issued visas. For instance, an applicant who lacks a police certificate or sufficient evidence of support would be refused a visa. Upon receipt of the required documents, if satisfactory, the applicant would be eligible to receive a visa.

TABLE 2 (QUESTION NO. 4).—OCCUPATIONS OF APPLICANTS ISSUED IMMIGRANT VISAS FROM APR. 1 TO JUNE 30, 1967, TO WHOM SEC. 212(a)(14) IS APPLICABLE

Occupation	3d preference	6th preference	Nonpreference
Nurses			89
Domestics		1	95
Priests			53
Nuns			27
Medical doctors			5
Teachers			7
Secretaries			4
Research worker (scientific)			1
Architect and university lecturer			1
Economist			1
Research chemist			1
Engineer		1	1
Mechanical engineering			2
Electrical engineering			3
Industrial scientist			2
Motor mechanics			2
Apprentice mechanic			1
Knitting machinist			1
Porter			1
Painter and decorator			1
Tailor			1
Assistant catering supervisor			1
Physical therapist			1
Shorthand typist			1
Typist			1
Statistical clerk			1
Chemist's assistant			1
Comptometer operator			1
Nurse's aide			1
Fashion designer			1
Professional musician			1
Total		2	309

Based on the study for the period ending March 31, 1967—letter of April 7, 1967, see CONGRESSIONAL RECORD, May 18, 1967, page 13166—and the more recent study for the period ending June 30, 1967—letter of September 12, 1967—the total number of third, sixth, and nonpreference immigrant visas issued, for which labor certificates were a prerequisite, are six, five, and 1,160 respectively for the period between December 1, 1965, and June 30, 1967.

Between April 1, 1967, and June 30, 1967, no third preference visas and only two sixth-preference visas were issued. Of the 309 nonpreference visas issued, the recipients of which were required to obtain a section 212(a)(14) labor certificate, at least 174 of the applicants qualified for schedule A certification, which means that they did not have the burden of proving the existence of a job and showing that no adverse effects would result from their employment. In effect schedule A constitutes a blanket certification for the categories listed thereon.

Parenthetically, the September 12 letter states that an additional 25 visa recipients qualified for schedule C certification which in theory precludes them from having to find an employer willing to fill out form ES-575B, et cetera.

Although the Secretary of Labor has afforded some relief by increasing the number of jobs subject to blanket certification—those listed on schedule A—and by establishing schedule C—January 25, 1967—giving certification on a local rather than a nationwide basis for some sixth preference occupations and all third preference occupations not included on schedule A, the existing procedures do nothing to relieve the burden imposed on those not included on any of the three schedules.

Applicants for jobs listed on schedule A know they can obtain certification, if they meet other requirements, for the Secretary has found that a shortage exists and their employment would not have adverse effects. According to the Bureau of Employment and Security of the Department of Labor, a schedule A applicant does not need to have a prospective employer prior to receiving his visa.

The same is applicable for jobs subject to schedule C certification, except such applications are, unlike schedule A applications, subject to a review of local labor conditions prior to issuance of the certification. Neither schedule A nor schedule C applicants are required to have an employer file form ES-575B.

Those jobs listed on schedule B are not eligible for certification since the Secretary has found either that a shortage does not exist or that local workers will be adversely affected.

Those applying for jobs found on none of these schedules must, while in his home country, find an employer in the United States, show that a shortage exists and that his employment will not result in adverse effects, and persuade the prospective employer to fill out Form ES-575B—which means the employer must stipulate that he cannot find available employees in the United States—as well as wait for an indefinite period of time.

Although schedule C applicants find themselves in a somewhat better position, they are still subject to the uncertainty of a review of local labor conditions.

There appears no valid reason precluding the Secretary of Labor from making blanket determinations for all categories of employment as he has done for schedule A and B jobs. Certainly the Secretary is in a much better position than the prospective immigrant to ascertain the prevailing conditions of the U.S. labor market. One of the purposes inherent in the 1965 act was to reduce the burden imposed on prospective qualified immigrants by often unduly complex and cumbersome procedures. The present labor certification process is inconsistent with this policy and results in unnecessary hardship for those least equipped to cope with the process.

Earlier this year I introduced H.R. 7775 to rectify this situation by removing the inequity imposed by section 212(a)(14). My bill amends the new section by substituting for it the section 212(a)(14) language used prior to the enactment of the Immigration and Nationality Act of 1965.

If approved under my bill an alien will again be able to enter the United States unless the Secretary of Labor makes a specific finding that—

(A) there are available in the United States at the alien's proposed destination sufficient workers able, willing, and qualified at the time of application for a visa and for

admission to the United States, to perform such skilled or unskilled labor, or (B) the employment of such aliens will adversely affect the wages and working conditions of workers in the United States similarly employed.

In providing that only section 101(a)(27)(A) special immigrants—with certain exceptions—and nonpreference immigrants described in section 203(a)(8) are subject to exclusion under section 212(a)(14) my bill is more consistent with previous law in this respect than the current provisions.

My bill would, moreover, expand the category of relatives now exempt from section 212(a)(14) by including "the brother, sister, son, or daughter of a citizen of the United States or an alien lawfully admitted for permanent residence." This change is consistent with the intent of the 1965 act to facilitate the reuniting of families.

Mr. Speaker, H.R. 7775 seeks to correct a defect that most of us did not anticipate in 1965—a defect, the inequitable results of which are becoming more apparent as time passes. It is an inequity which particularly affects Irish immigration. I know that, because of our distinguished Speaker and the late President Kennedy as well as several Members of the Congress who are of Irish descent, I need not dwell on the magnificent contribution of the Irish to our Nation. It is not to America's advantage to retain section 212(a)(14) in its present form.

Time passes; young people grow old; the hope of those desiring to immigrate to the United States fades; their ability to contribute to our culture and progress decreases. I urge the Congress to act with all speed to remedy this situation.

INVESTIGATION SHOULD BE DEMANDED ON PENTAGON PURCHASING PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 10 minutes.

Mr. MICHEL. Mr. Speaker, I believe the Congress should launch a thorough investigation of the Pentagon's purchasing program in the light of admission that half the Marine Corps' supply helicopters in Vietnam have been grounded because the tails were falling off, according to the UPI ticker this morning.

This is a shocking indictment of Secretary of Defense Robert McNamara, added to the fact that food, medical supplies, and ammunition are being delayed at the war front because of deficient helicopters bought by Pentagon purchasers. We have a condition of computerized chaos in the Pentagon.

The failure of the Pentagon to supply operable equipment is a stab in the back of the boys at the front. There is no excuse in a nation with the technical abilities of the United States to send equipment to Vietnam that does not work. McNamara's procurement policies have been arbitrary and contemptuous of military advice. Now we are reaping the sorry result of one man's folly.

More and more reports of funny dealings at the Pentagon have been coming into Congress. Firms with low bids are brushed aside. It is time Congress looked into the claimed savings by the Defense Department and into the situation that allows a deficient plane such as the TFX to become the Nation's biggest money loser and worst performer but most highly propagandized by the Pentagon's paper brigade.

The helicopter incident in Vietnam is only the latest of a string of McNamara miscues, which included delay of supplies, shortages of clothing, bomb shortages, and the jamming of the M-16 rifle. All of these errors have hampered the U.S. war effort. It is simply time to find out how the war effort is being run, and if possible to halt the computerized chaos that is indicated by news reports from the battle zone.

JOB CORPS CENTER VISITS BY MEMBERS OF CONGRESS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Hawaii [Mrs. MINK] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. MINK. Mr. Speaker, I was privileged last Friday to be invited to participate in a rededication ceremony at the Huntington, W. Va., Job Corps Center for Women. The Xerox Corp. operates this center, and on that day officially submitted their contract request for continuance of the center under their management.

The ceremony in which I participated included the presentation of four girls who had successfully completed their studies at the center during the past year. Poised and confident, these four girls explained what the center had done for them, and spoke with such warmth and sincerity that I was deeply moved by their remarks.

I wish that all of the Members of this House would have the same opportunity to visit one of these centers because I am confident that if they did, they too would find this program truly one of the outstanding features of the economic opportunity program.

Two of our distinguished colleagues have made such visits to centers in their respective districts, and experienced much the same promise and excitement in what they saw.

Mr. Speaker, so that all of the House may know of these expressions of interest in the Job Corps, I insert at this point in the RECORD several articles which appeared in the Plain Dealer and the Cleveland Press on the visit to the Cleveland center by Congresswoman FRANCES P. BOLTON, and also the entire text of remarks presented by Congresswoman CATHERINE MAY at the dedication of the Fort Simcoe Center at White Swan, Wash.

[From the Cleveland Plain Dealer, Sept. 8, 1967]

REPRESENTATIVE BOLTON TOURS FACILITY: CITY JOB CORPS CENTER PRAISED

(By Alma Kaufman)

Rep. Frances P. Bolton, R-22, had high praise for the Cleveland Job Corps for Women after spending yesterday there and said Job Corps should get a larger share of antipoverty money.

"This was one of the most wonderful days I ever had," said Mrs. Bolton.

"You see Hawaii living with Texas . . . Washington with Alabama; you get the sense that this is the way we're building America as we can't build it any other way."

The Cleveland congresswoman advocated Job Corps tours for congressional critics of the program.

"I know that what I needed was to come here and spend the day," she said. "My sense of the Job Corps is very different from what it was yesterday."

Mrs. Bolton said the program should have enough money to provide job security for center staffs and continuity of service. At present centers are funded for a year at a time and employees cannot be hired for a longer period. The people of Cleveland should make some provision for continuity, Mrs. Bolton said.

She also said the Cleveland center should be moved from Ansel Road to a better location, but probably not into the suburbs.

"Young people should be within walking distance of recreation," she explained. "They tell us we're all going to be urbanites very soon, so we should be ready."

Mrs. Bolton praised the center director, Dr. Zelma George, as the person responsible for its good impression.

"A short time ago this was a disgraceful place."

[From the Cleveland Press, Sept. 8, 1967]

CONGRESSWOMAN BOLTON LAUDS GIRL'S CENTER HERE

Cong. Frances Bolton (R-Cleveland) said a tour of the Women's Job Corps Center here has won her enthusiastic approval of the program, regarded as the most costly and most criticized of national anti-poverty efforts.

The center at 1588 Ansel Rd. has an enrollment of about 330 girls and has cost about $2,500,000 a year to operate in addition to about $300,000 in cash allowances for the trainees. This amounts to about $8000 a year for each trainee.

But Cong. Bolton said these costs are justified by the success of the center and urged that more money be provided for the program.

"This is the essence of what Americans want to do to help people," she said of the center where girls from poverty families live while they receive schooling and job training.

Mrs. Bolton added that she feels Congress was wrong in restricting the policy by which girls and youths are flown to and from centers far from their homes for this training. The center here has girls from Hawaii, California, Texas, Alabama, New York and other states.

Having trainees from all parts of the nation living together is a way of helping to build America, she said.

Dr. Zelma George, the center director who was highly praised by Cong. Bolton, contended that there is less temptation for trainees to drop out of the program when they are remote from their homes.

An aide said that more than 75% of the center's graduates are being placed in jobs.

REMARKS BY REPRESENTATIVE CATHERINE MAY AT THE FORT SIMCOE JOB CORPS CONSERVATION CENTER DEDICATION CEREMONIES, WHITE SWAN, WASH., SATURDAY, MAY 27, 1967

As a proud citizen of Yakima County, I am honored to take part today in this dedication of the Fort Simcoe Job Corps Conservation Center. I am honored because what we pay tribute to is the continuation of the American ideal—the right of every American to help himself to a better life, a life of promise for himself, his community, and for the world in which we live.

This ideal is the continuing theme of American history. It was the ideal that inspired the founding fathers and those who followed in their footsteps in the building of our nation.

In this regard, it occurs to me that it is a rather fitting coincidence that this ceremony takes place on the Memorial Day weekend. Throughout our nation people gather on this weekend to remember, honor, respect and pay deserving tribute to the brave fighting men of many wars who have made the supreme sacrifice. But, I wonder if it wouldn't be more correct to say that Memorial Day is a time that we give thanks for the privilege of being Americans, free to serve our God and free to serve our country. Ours might better be words of gratitude for this nation, that they fought to develop and preserve.

This Memorial Day still finds our country engaged in another great struggle and on the brink of another international crisis because there are still those abroad in this world who would destroy the principles of freedom and prevent others from developing the blessings of liberty. The long list of those who lie in a corner of some foreign field grows daily, as a grim reminder that the cause for which the sacrifices were made hasn't yet been accomplished. They gave, and are still giving, their all in the defense of freedom. Now, we must, as their living heirs, pay our debt of gratitude by convincing the world that we were worth the price.

Throughout the United States today, we are troubled by poverty, racial hatred and ignorance. We hear a lot about the hot war in Vietnam and the cold war throughout the world. We hear of the actions and reactions of these problems on the part of big governments, big organizations and mass movements. But in an age of big government and mass movements, what we don't hear enough about is the vital role which we as individuals must play in dealing with the problems of a troubled world in terms of our American ideal.

That is the challenge of your generation, and in a large sense, it is really the same challenge which has faced succeeding generations of Americans from the time when our nation was founded to the pioneer era, to the present 20th Century. It is the challenge of the Job Corps—and that is why your role, as individual members of the Job Corps, is very special.

In an age when some argue that individual responsibility and individual opportunity are on the way out, you are reasserting and by your efforts replenishing the American pioneer spirit.

No one made you come to the Job Corps: No one drafted you or told you that you either join or go to prison. You came here on your own will power: You came to make yourselves better men, better Americans. You came to do a very special job—a job of personal self improvement. This is what we salute today—your effort to keep the American ideal alive and healthy.

We also salute the Job Corps. We salute the Job Corps because it has afforded each one of you and those who will follow you at Fort Simcoe, the opportunity to help yourselves. Presently, there are 202 of you here at Fort Simcoe. You are just a small part of the total number being given this chance by Job Corps. Nationally, Job Corps serves more than 35,000 young men and women at this time. But each one of you are being given the same chance. Here at Fort Simcoe, your work includes training in heavy equipment operation and repair, training in forestry and farming, even training in cooking and banking.

In another part of our Congressional District we have the Columbia Basin Job Corps Conservation camp at Moses Lake on the site of the former Larson Air Force Base. Since its activitation date, November 1, 1965, and up to April 30, 1967, 562 Corpsmen have received some degree of training in various types of skills and services. Right now there are 183 boys at the Camp. Just this month a Job Corps contingent of young women was established at Moses Lake, too, and this new center for Job Corps women is being geared to our area needs of the Northwest, offering courses in clerical and mechanical types of work, as well as basic educational training and special training courses like those of nurse's aides.

Everywhere the Job Corps training is different, but everywhere the opportunity is being given, and, I am glad to say, being taken.

Though young in years, the Job Corps has a commendable record. It has had its problems, certainly—and every effort must be made to solve these problems, toward the end that the Job Corps can accomplish its important mission. But despite these problems, the achievements of the Job Corps have been impressive. To date, more than 70,000 young men and women have been in the Job Corps. Of the 70,000, more than 70 percent have left to return to a much fuller, more meaningful life, as assets to their communities. Most have gone on to jobs where the future extends beyond the next pay check; 14 percent have returned to high schools, the same schools where they were previously listed as "dropouts." Another ten percent have gone on to the Armed Services, to serve their country. And some of these young men like Bernie Gonzalez of the Kingman Job Corps Center, have made the ultimate sacrifice for their country in the war in Vietnam.

Thus, the Job Corps has given young men and women an opportunity and a challenge to help realize the American ideal.

Here at Fort Simcoe it is still a bit early for us to recount stories about the graduates. We do know that 66 Fort Simcoe Corpsmen have either returned to school, joined the service or found permanent jobs. And I am certain, from what I have seen and heard here, that Fort Simcoe Job Corps Conservation Center alumni will head the list of Job Corpsmen who are contributing to their community and their country. Let me say, too, that in the brief time you have been here in the Yakima Valley, you have won the hearts of many of us by your hard work and helpful hands.

You and the staff at Fort Simcoe have shown us that the American system and the American ideal is one which makes our country, more than any other, a land of opportunity for young men and women. Your efforts have given us all a better understanding of the Job Corps mission. In effect, you have made Yakima Valley partners in your individual efforts to keep the American ideal alive.

And although your work has primarily been restricted to the boundaries of the reservation, your extra curricular duties have not gone unnoticed. The construction of the Sunnyside Day Care Center, as well as the renovation of the swimming facilities at Wapato, have made terrific contributions to the well being of the Yakima Valley. When the Chamber of Commerce of Goldendale asked for help in the general clean up work necessary for another good winter of skiing at the Satus Pass Ski Lodge, it was you young citizens of Fort Simcoe who jumped in and made things ship-shape. In hundreds of ways, you of the Fort Simcoe Center have helped forge the partnership that binds us.

This very same spirit of community involvement that the Job Corps has demonstrated here will, I know, go with you when you leave Fort Simcoe. Whether you stay in the great State of Washington or whether you return to your homes across the country, I know your communities will benefit as we have been benefited here.

The community involvement that you Fort Simcoe Job Corpsmen have demonstrated to us, has also been demonstrated to communities throughout the country. In Clinton, Iowa, Job Corps girls have been filling sand bags to hold back the flooding waters of the Mississippi River; the Corpsmen of Custer Job Corps Center in Michigan have been working as volunteer therapy aids at the State Home—over 2,500 man-hours of free time donated so far. Everywhere there is a Job Corps Center, there are Job Corpsmen and women rendering services to the community.

As gratifying as this community involvement is, it only tells a part of the story of the Job Corps. The deeper success of the Job Corps will be apparent when you Job Corps graduates are raising your own families, for then will you be really able to share what the Job Corps is giving you every day that you work and take advantage of what is offered you here. The basic education courses, which may sometimes seem so boring and difficult, are equipping you to get more out of life—and thereby enabling you to share more fully in the riches it offers. Here at Fort Simcoe, four of your fellow Corpsmen are presently taking courses at the White Swan High School; they are taking advantage of their opportunity to learn and grow. All of you have the same opportunities in the classes conducted daily right here at the Center. And even outside the classroom, whether it be planting trees in the forests or welding in the welding shop, you are being given the chance to gain skills that will make you more employable and better able to contribute.

The residents of Yakima Valley recognize what is going on at Fort Simcoe. We are happy to share in the work of the Job Corps. It is a partnership that will benefit us all in the years to come. Even now, we have fourteen of you young men working in Yakima as "on-the-job trainees." The partnership that you have helped to develop between the Fort Simcoe Job Corps center and the citizens of Yakima Valley was never better demonstrated than last Christmas, when the sixty or so Corpsmen who were unable to go home for Christmas had their Christmas dinner with families in the area. I know that these families enjoyed your visit just as much as their Christmas dinners enriched your "Christmas away from home."

In many, many ways, this Fort Simcoe-Yakima County partnership has grown and, I am sure, will continue to grow. By your hard work, you are showing us all that the American ideal is still alive in 1967.

And as a citizen and a Member of Congress, I am encouraged because I can see what the Job Corps and its Corpsmen are doing to help meet the challenge facing our country. Not only will you profit by gaining the skills and knowledge that the Job Corps offers you, but you will be able to share them with those less fortunate in your own communities—and through this sharing, your communities will grow stronger and happier.

I also said I was proud—just as I am proud of you as new and contributing members of our community, I am also very proud of my own neighbors in Yakima County. They have understood what the Job Corps is all about, and realized that the success of every Job Corps Center is dependent on the help and cooperation of the community in which it is located.

The partnership that I spoke of earlier is a very real one, and I am certain that each of us will continue to help in every way.

Before I bring my remarks to a close I would like to make one personal observation to you young men. I visited your Corps Center for the first time last winter. As I drove in here passed the Fort buildings that have been so beautifully restored, and on up the road surrounded by the rolling hills on up to the mountains, a thought struck me. While I have been familiar with this area and loved it since I was a little girl, I rather imagine

that you young men, as you first drove in here coming from homes thousands of miles away—I rather imagine a lot of you must have said to yourselves, "My gosh, they've brought us to the end of the world!" And, then I thought, I bet that's just exactly how the many young men in the Army, who came clear across the nation for the founding of that Fort well over 100 years ago, must have felt, too. At that time, a lot of those young men were sick physically from lack of proper diet on the long trek—and I am sure they were homesick, too. But, you fellows have an even more important bond with them—you came here to do a job for your country and you are pioneers. And pioneers always have in common the same virtues—individual responsibility—individual resourcefulness—and individual courage. The job of the pioneer corpsmen in those days on all fronts was to help create new communities and a new society. Your job Corpsmen pioneers of today, by your individual responsibility, individual resourcefulness and individual courage will leave our Valley one day to return home—or perhaps elsewhere—to help build better communities and a better society for yourselves and your neighbors.

For the true test of the success of the Job Corps lies in the future when we might hope that communities throughout America will share in the benefits of the training and skills which you gained here in our Valley.

We have much to be proud of as we dedicate the Fort Simcoe Job Corps Conservation Center today. For we are, in reality, rededicating ourselves to the American ideal.

WHO IS RESPONSIBLE FOR CUTTING NONESSENTIAL SPENDING?

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, the action of this House yesterday in recommitting the supplemental appropriation bill was unfortunate and irresponsible in and of itself. The way to cut Government spending is not to bring the operations of the Government to a halt.

Furthermore, the implications of the motion were to place the responsibility for making reductions in Federal spending on the President, rather than Congress. This is an unfortunate implication. The constitutional responsibility for determining authorizations and appropriations is with Congress. It should remain with Congress.

In past months, we have heard a good deal of talk about usurpation of congressional prerogatives by the White House. If anything could dramatically illustrate the adage that "talk is cheap," the vote in this House yesterday did. This body said, in effect, "We have neither the inclination nor the ability to decide where reductions in spending should be made. You do it, Mr. President."

Congress has consistently refused to grant the President the power to exercise an item veto, and with good reason. Yet, that is precisely what this House was voting to do.

I have been one of the most vigorous advocates for cutting nonessential Federal spending. So far this year, I have voted to cut more than $11 billion from the budget, particularly in the public works, space, farm, and other special interest subsidies, and SST programs. I strongly believe this should be done.

As a result of my urgings and the expression of others who feel as I do, the distinguished chairman of the Appropriations Committee yesterday made a firm commitment to review all appropriations already made and recommend recisions in the order of magnitude recommended by the opposition. I commend the chairman for his statement and feel this is the appropriate way for the needed cuts to be made—by Congress, not the Executive.

The question before us, then, was not whether the cuts should be made but how they should be made. To make them by recommitting the continuing authorization bill and handing over to the Executive our constitutional fiscal responsibilities would have been irresponsible. To make the needed cuts through congressional action in accordance with the Constitution is the way I support and the way it should be done.

Let there be no doubt, however, that cut we must.

A PROGRAM FOR AVIATION SAFETY

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, when the House Committee on Interstate and Foreign Commerce opened hearings on aviation safety on July 24, I charged the head of the Federal Aviation Administration with having been derelict in his duty to aggressively pursue a meaningful air safety program. I said at that time that we had reached a point of crisis in aviation safety. I have seen nothing in the past 3 months to change my mind.

Aviation safety has been very much in the public eye since that initial hearing. The deliberate leak of a story about FAA's request for an additional $100 million for personnel and equipment was a front-page story, as was the President's response that FAA had to make do with what it has and his order that the Sectary of Transportation prepare a long-range plan for airport improvement. This little charade, the scenario for which was probably written several weeks earlier, should fool no one. Even the announced $7 million allocation for hiring and training air traffic controllers was only a shift of funds from facilities and equipment. Any implication of new Federal commitment to air safety is purely illusory.

FAA's "leak" did nothing more than temporarily shift the burden to the White House. The President promptly shifted it back, while giving the appearance of taking some positive steps. In my view, the subject of air safety has been studied to death. It is time for action.

The sheer growth of aviation, both commercial and private, creates a serious safety problem, and it seems obvious that advances in safety have not kept pace either with aviation technology or growth. In the last 5 years alone, traffic has doubled at the 234 airports at which the FAA has control towers. It will triple between now and 1977, when FAA controllers will have to handle 140 million takeoffs and landings.

A look at the impact of general aviation on existing airport facilities gives some idea of what the situation will be like 10 years from now. At 23 metropolitan "hub" airports, general aviation accounts for 36 percent of all operations. The percentage varies from over 70 percent at Denver, 65 percent at Houston, 57 percent at Kansas City, and 43 percent at LaGuardia in New York, down to 12.8 percent at O'Hare in Chicago and 8.2 percent at Kennedy in New York.

These are just averages, of course. The situation during peak hours is far worse. At LaGuardia, for example, general aviation accounted for 62 percent of the airfield capacity during a typical peak hour, from 5 to 6 p.m. on a Friday. During that hour, 2,950 passengers took off and landed; only 7 percent of them were carried by general aviation. It is well established that general aviation accounts for most of the planes in use but only a small percentage of the passengers. In my view, the congestion created by these smaller planes is in and of itself a distinct hazard.

General aviation also accounts for some pretty horrifying accident statistics. According to FAA, 80 percent of all general aviation accidents are due to a lack of proficiency or a lack of procedural knowledge on the pilot's part. A National Transportation Safety Board study found that 3,147 general aviation accidents in 1964—84 percent of the year's total—involved pilot error as a causal element. The FAA also states that 30 percent of all general aviation accidents resulted from the pilot losing control of his plane in instrument weather. I believe it is absolutely necessary for FAA to see that as many pilots as possible attain and maintain instrument proficiency and to establish this as a minimum standard for pilots flying in and out of congested areas.

I want to make it clear that I do not believe general aviation is the sole threat to air safety, nor the only cause of airport and airway congestion. The commercial airlines could contribute to safety and ease congestion by a more even distribution of their operations. No safety program should be directed only at small, private planes. I agree with John Adams of the Civil Aeronautics Board, when he said:

> The entire airline industry must find a way to coexist with general aviation, with each industry having equal access to the city and sky above them but with a means developed to unshuffle the cards somewhat so that both may fly, both may land and both may park without the time and money cost which now seems too much on the increase.

About 140,000 men, women, and children are exposed to death in midair collisions over the United States every year. In just 10 short years, when the number of takeoffs and landings will have tripled to over 140 million at airports

with FAA control towers, over 400,000 persons will risk death in the air. FAA must close the safety gap between its activities and aviation growth. There are some steps it could take now with little or no cost.

First among these procedural changes is the exercise of FAA authority to restrict the operations of inadequately equipped planes and inadequately trained or experienced pilots in the vicinity of congested airports, especially during peak hours. During the Commerce Committee's hearings in July, FAA Administrator McKee flatly stated that he could not take such a step in the absence of an overriding safety problem. Unfortunately, the FAA refuses to acknowledge that the type of congestion experienced at airports such as LaGuardia, Kennedy, and O'Hare at peak hours is dangerous per se.

LEGISLATION AUTHORIZING SEPARATION OF AIRCRAFT

I am introducing legislation today that clearly grants FAA this authority. My bill amends that section of the Federal Aviation Act of 1958 that deals with air traffic rules by adding a new subsection that reads as follows:

In order to further promote safety in air commerce, air traffic rules and regulations prescribed under this subsection may include reasonable rules and regulations designed to relieve congestion at airports having a high density of air traffic. Such rules and regulations may designate the type and size of aircraft eligible to use an airport having a high density of air traffic during peak periods of air traffic congestion, and establish other reasonable criteria to alleviate air traffic congestion at such airports.

My purpose in authoring this legislation is simple: to see that air safety standards are set for each airport in terms of facilities, equipment, personnel and the qualifications and capabilities of the pilots and aircraft which use those airports. If the FAA determines that conditions at a certain airport are such that it would create a safety hazard for an inadequately equipped plane or one piloted by someone without an instrument flight rating to use that airport, or even to enter the traffic area around it, then FAA should be able to prohibit that plane and/or that pilot from using that airport or flying over it.

I have purposely drafted this legislation in the most flexible, general terms in the belief that FAA must have discretion to set different standards for different airports. But I want to make clear that while this new authority is broad and discretionary, it must be exercised.

There are a number of measures I would like to see FAA seriously consider, both under its existing legislative authority and under the new authority my bill would grant. Their cost would be minimal:

First, minimum plane and pilot standards: FAA should establish stringent standards for all aircraft equipment and for pilot proficiency where congested airspace and facilities are to be used.

Second, definitions of airspace and facilities: FAA should clearly define airspace and airports in terms of congestion so that standards for such airspace and facilities may be established.

Third, flight plans: All pilots should be required to file a simple flight plan, indicating the type of aircraft they are flying and the equipment it carries, the pilot's rating, intended route, destination, and altitude. Pilots should be required to adhere to that plan in congested areas unless air traffic control approves in-flight modifications. This procedure will not only do away with the popup phenomenon in which a controller is suddenly confronted with one or more small planes of which he had no prior knowledge, but will also enable controllers to reroute small planes if their chosen route or terminal facility is too congested to handle them safely.

Fourth, equipment standards: Before permitting an aircraft to use a given airport, FAA should require that the aircraft carry equipment necessary for full cooperation with the airport's control system.

Fifth, expanded control area: FAA should expand its area of control so that no aircraft can enter an airport traffic area at any altitude without coming under the specific direction of that airport's controller.

Sixth, pilot recertification: FAA should require general aviation pilots to be recertified on a regular basis, perhaps annually.

Seventh, near-miss reporting: FAA should encourage the Flight Safety Research Foundation to reinstitute its near-miss reporting program on a statistical basis. Between 400 and 600 near misses are reported to FAA each year, but reliable estimates of the actual number run as much as 300 percent higher. Accurate data is essential for an effective safety program.

Eighth, air taxi standards. FAA should set aircraft, equipment, and pilot proficiency standards for air taxis, a rapidly growing segment of general aviation and a major contributor to congestion at "hub" airports.

EQUIPMENT AND FACILITIES PROPOSALS

FAA should also install or initiate or accelerate the testing of a number of devices which, added to an airport or aircraft, could greatly increase the safety of air travel. Some of these innovations are already in use by the military:

First, three-dimensional radar: The Navy has been using three-dimensional radar in Vietnam for nearly 2 years, but FAA apparently has not even sought operational data on this equipment. The Navy's unit, manufactured by ITT-Gilfillian of Los Angeles, costs $1.5 million each. While this equipment may not be feasible for domestic use, the principle of three-dimensional radar should be explored as a possible alternative to the alpha-numeric system.

Second, runway barriers: These could promote safety, especially at airports where there are bodies of water at the end of runways, by effectively checking an aircraft's speed without destroying it.

Third, fuel tank protection: FAA should delay no further in establishing the feasibility of polyurethane foam for use in domestic aircraft. The foam has been used in Air Force planes for 9 months in Vietnam and virtually eliminates fuel tank fires and explosions.

Fourth, jet drag chutes: Drag chutes, such as those used on military jets, should be considered for use on domestic jetliners as added insurance in the event of brake failure.

Fifth, downed plane locator: FAA should develop an automatic signaling device which would be activated immediately upon the crash of an airplane and which would enable searchers to pinpoint its location quickly. Lives are lost unnecessarily in crashes in remote areas or on water because of difficulty in locating the crash site.

Sixth, airborne recorder: FAA should accelerate the testing of an airborne recording system such as the one being tested by American Airlines to keep a constant check on pilot and aircraft performance. More accurate near-miss data is essential for the prevention of midair collisions and FAA must have greater knowledge of pilot performance under varying conditions. If the recorder is feasible, it should be required on all commercial aircraft.

Seventh, secondary radar and ILS: Backup radar must be installed at each of the 23 "hub" airports. The failure of the radar system at Kennedy Airport twice in 3 days this summer was intolerable, and the million-to-one odds quoted by an FAA official with reference to a single incident of that nature are open to question. Instrument Landing Systems should be installed at each airport having scheduled airline service.

Eighth, transponders: FAA should require transponders on all general aviation planes so that an aircraft's identity and altitude can be reported automatically to air traffic control.

Ninth, STOL: Testing of short takeoff and landing technology should be accelerated as a means of relieving congestion. STOL strips of under 1,000 feet could be readily established at most airports now experiencing severe overcrowding of existing runways.

Tenth, collision avoidance system: Development of an effective and economical collision avoidance system for general aviation should be given priority by FAA. The commercial airlines can pay for development of such a system for their use. Until all aircraft are equipped with a collision avoidance device, the danger of midair crashes will continue to be great.

Eleventh, parallel runways: Priority should be given to the construction of parallel runways at congested airports, where sufficient land is available. This would enable controllers to separate general aviation from large commercial aircraft without substantially increasing the controllers' workload.

Twelfth, new general aviation facilities: At the very core of the air safety problem is the urgent need for facilities geared to the needs of general aviation and the public it serves. In areas where they are needed most, such facilities are actually disappearing. According to the Air Transport Association, in 1950, 10 major metropolitan areas had 340 general aviation airports. By 1960, the number was 316. The scarcity of land and rising prices increase the difficulty of establishing these facilities, but without them the hazards of air travel must

either increase drastically or onerous restrictions will have to be placed on general aviation.

It is disturbing to me to discover that in all the discussions of airport financing by the Federal Government, major emphasis has been placed on new jetports. In my view, there is little need for the Federal Government to keep pumping money into this arena. The large airports are turning over quite handsome profits, and I understand that the commercial airlines are not only able but in most cases willing to finance needed improvements and even new facilities where they are necessary.

General aviation airports can also pay their own way operationally, but are difficult to finance initially. The Federal Government should be emphasizing the financing of these smaller, general aviation facilities. Section 5(d)(3) of the Federal Airport Act is a specific authorization for general aviation airports to relieve the pressure on major congested airports. The authorization is $7 million a year but appropriations have run closer to $6 million. Unfortunately, I have seen little evidence that FAA is using even these modest appropriations where they are most needed. In the New York area, pitiful little has been done, and while local agencies such as the Port of New York Authority must share the responsibility for this sad state of affairs, more leadership must come from the FAA.

I feel strongly that one of the prime causes for the full decade that air safety is lagging behind aviation growth has been the failure of FAA to aggressively exercise its existing authority. In my view, FAA has been too concerned with keeping happy the various industry groups, regardless of the consequences for air safety.

The FAA certainly has not been nearly aggressive enough in seeking Budget Bureau and congressional approval of appropriations necessary to implement an effective air safety program.

On the other hand, FAA has quite aggressively pursued appropriations for the Supersonic Transport. The $700 million FAA has obtained from Congress so far for the SST would be more than sufficient to put the most up-to-date radar in every airport serving the scheduled airlines and have enough left over to build needed control towers and install ILS. FAA's priorities are obviously open to serious question.

In the final analysis, the words of Bo Lundberg, Director-General of the Aeronautical Research Institute of Sweden, should be studied and repeated by every official, every citizen concerned with aviation safety:

> We cannot wait for more accidents to occur in order to improve the safety level by corrective actions, or we will never be able to catch up with rapid expansion of aviation.

PROPOSAL TO IMPROVE BENEFITS UNDER THE FEDERAL EMPLOYEES' COMPENSATION ACT

Mr. PATTEN. 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 Jersey?

There was no objection.

Mr. FASCELL. Mr. Speaker, today I am introducing legislation designed to alleviate certain hardships to employees in the administration of the Federal Employees' Compensation Act. The bill proposes two separate changes in the FECA, which I believe are desirable and necessary to prevent certain hardships to employees whose injuries require them to come under the FECA program.

Section 1 of my bill is designed to provide financial relief to injured workers who experience delay in receiving their award under the compensation program. It would allow an employee to continue to receive his regular pay between the time of his injury and the time when he received his first compensation payment. Any amount due the United States by reason of the continued payment of the employees' salary or remuneration would, under the terms of the bill, be recoverable by withholding sums from his compensation payments in a manner which would be equitable to the employee and to the Government. One of the effects of this recovery provision would be to prevent abuse of the benefits extended by the bill.

Under present law, as you know, an injured worker awaiting his first compensation check may use up any annual or sick leave to which he is entitled, if he so chooses, but he then receives no further payment from the Government until his claim is processed and his first FECA payment is sent to him. In many instances this can be a prolonged and difficult period, running for months in some cases. During this time the employees must provide for himself and his family as best he can.

An injured worker may experience delays of varying periods both within the agency that employs him and within the Bureau of Employees' Compensation, which processes all claims after they leave the employing agency. I am informed that the average period of elapsed time between the date of an injury and the date it reaches the BEC is 48 days. This represents the time lapse within the agency.

Most claims are processed fairly rapidly by the Bureau. According to a statement by its Director, 75 percent of the claims they receive are processed within 1 week to 10 days; 85 percent are processed in 3 weeks, and the remainder take a longer time for a variety of reasons. Those cases in which there are difficulties in establishing a causal relationship between the injury and the conditions of employment usually take the longest time in processing.

So the situation is, Mr. Speaker, considerable delays are experienced in processing these FECA claims and during the waiting period an employee must either utilize what leave he might have, or go without a fixed source of income until his first compensation payment is sent to him.

In many cases employees are forced to go a step further and utilize their sick leave rather than apply for FECA payments.

Section 2 of my bill would allow an employee who has been granted an award under the FECA program and who returns immediately to Federal employment to earn annual and sick leave credits for the period that he was on the FECA rolls. Under present law no annual or sick leave credits are earned during the period an employee is on leave without pay and drawing FECA benefits. The situation is just the opposite with respect to an employee who is on annual or sick leave. Such an employee continues to accrue leave credits while he is on leave.

It is patently unfair, in my opinion, to the employee who is injured on the job to be denied a benefit extended to another employee who is on vacation or absent from work because of illness.

In introducing this bill I would remind my colleagues that the vast majority of Federal employees are dependent upon their paychecks to keep their households functioning. A letter carrier earning around $5,000 or $6,000 a year, for example, cannot afford to miss a single paycheck without feeling an immediate strain on his resources. Those who are forced to undergo 5 or 6 weeks without income, as many now do while awaiting their compensation awards, are confronted with a severe financial struggle. The bill I have introduced, with its built-in safeguard against abuse, is necessary to help these workers in surmounting the problems they face at these dire times.

ASIAN DEVELOPMENT BANK

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. COHELAN] 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 Jersey?

There was no objection.

Mr. COHELAN. Mr. Speaker, I wish to draw attention to an editorial that appeared in the Washington Post concerning the President's request for the United States to contribute to the new special funds for the Asian Development Bank.

This proposal has special interest for me as I have just returned from Shimoda, Japan, where I participated in the Japanese-American Assembly. Of serious concern to all participants in the Assembly was the question of Asian involvement in Asian problems and the proper role of the United States in this regard.

The Asian Development Bank represents a unique opportunity for Asians to work out their own problems—with minimal assistance and encouragement from the United States. It also permits Japan to assume a large role in assisting and working with its Asian neighbors. The United States and much of Asia still retain fear of Japanese influence and power, based on the Japan of the 1930's and 1940's. At the same time it is clear that Japan, as a major industrial nation

in Asia, must play an important role in Asian economic development.

However, it is also unreasonable to assume that the United States does not have any role in the development of this vast area. Certainly the wealth of the United States can be used effectively in assisting the less-developed countries of the world. And it is unreasonable and shortsighted to believe that military assistance is our most effective method of assistance.

The U.S. contribution to this new special fund would represent only 20 percent of the total. This is in sharp contrast to other agreements wherein the United States has assumed the bulk of the financial support. This factor alone should reassure those who recommend a lessening of the American commitment abroad. Also, it should reassure those who wish to see American aid used to fight the positive battle against poverty, disease, and ignorance.

As our policy of military assistance gains greater worldwide antagonism, as our own country becomes increasingly torn by our military role in Vietnam, it would appear that a positive, nonmilitary, role in Asia would be welcome. To quote from the Washington Post's editorial:

There is little logic in a policy of resisting aggression in one small Asian land at whatever cost while denying what is urgently needed to counter the despair and hunger and poverty which feed the fires of insurrection in nearly all the rest of Asia and in a very significant part of the rest of the world.

The editorial referred to follows:

A CHANCE TO RECOUP

With dismal inconsistency, the Congress this year has gone down the line for whatever is needed in Vietnam while taking every opportunity to scuttle a foreign aid program which is intended, in no small part, to forestall future "Vietnams" in Asia and elsewhere in the world. It is probably too late now to repair the damage done to foreign aid this year. But there is still an opportunity for Congress to restore some degree of elementary logic in its approach to the underdeveloped world. It can do so by giving early and favorable consideration to yesterday's welcome proposal by President Johnson for a $200 million United States contribution to new Special Funds planned for the Asian Development Bank.

The ADB, to begin with, is a sensible institution, established at our urging, but with genuine Asian effort and initiative. Our share of the capital is a modest 20 per cent, the same as Japan's. Management is in Asian hands, where it belongs. The ADB is also a sound institution. Like the venerable and respected World Bank, its standards for projects promise to be high; its insistence on responsible self-help by recipients promises to be strict; its terms for loans from its regular $1 billion capital promise to be business-like.

But also like the World Bank, which has a more lenient-lending offshoot called the International Development Association, the ADB needs money for longer-term loans at lower interest rates to cover the needs of its members for projects such as roads and schools which do not yield a rapid return on investment. These are the needs which the Special Funds are designed to meet and the American contribution of $200 million, to be spread over four years, is a minority share of the total to be raised, as well as a relatively modest sum.

Senator Fulbright has promised early Senate hearings and passage this year is in order on several counts. For one, the ADB reflects not only a praiseworthy Asian initiative but an encouraging trend towards an Asian sense of regional responsibility, measurable in a wide range of mutual "self-help" measures taken recently by various groups of Asian nations in the fields of education, health, transportation, and economic development. Progress in harnessing Southeast Asia's Mekong River basin is a striking example.

The ADB and its Special Funds also mark a useful step towards "multilateralization" of foreign aid, which puts a premium on collective, cooperative undertakings rather than strictly bilateral assistance with all the political complications it entails. Significantly, in his message to Congress yesterday, the President cited the ADB Special Funds as "an example of multilateral assistance that we fervently hope will be followed increasingly in the years ahead in Asia and throughout the developing world."

Finally, as the President also observed: "Lasting peace in Asia requires much more than resistance to armed aggression. Peace will come to stay when despair gives way to hope, when insurrection gives way to peaceful opportunity . . ."

There is little logic in a policy of resisting aggression in one small Asian land at whatever cost while denying what is urgently needed to counter the despair and hunger and poverty which feed the fires of insurrection in nearly all the rest of Asia and in a very significant part of the rest of the world.

PREDICTING CHINA

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. COHELAN] 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 New Jersey?

There was no objection.

Mr. COHELAN. Mr. Speaker, in our involvement in the Vietnam conflict, an important imponderable threatening us in every decision has been China.

The China watchers thus far 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.

The administration has based its decision in Vietnam on this advice and on the Korean precedent.

In the Washington Post of September 9, an article by Chalmers M. Roberts, raises a disturbing point about this policy. The mounting chaos inside China may lead to irrational actions unpredictable in terms of established precedent. He concludes:

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 non-intervention has been built remain valid? The answer today, at least for some, is beginning to reach the "yes, but—" stage.

Mr. Speaker, I call this excellent article to the attention of the Members by inserting it in the RECORD at this point:

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 beinning 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.

NEWARK BAY

Mr. PATTEN. 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 Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, it has recently come to my attention that the United States Lines is negotiating with the Port of New York Authority to acquire between one and four berths at the Elizabethport marine terminal in order to move all containership operations from the New York side of the port to the Elizabeth, N.J., facilities.

This anticipated move by United States Lines involves millions of dollars, thousands of jobs, and, of most immediate concern to me, an increase in cargo traffic through the Newark Bay. This move points up once again the critical need for improvements and widening of the 3-mile stretch of the Newark Bay Channel between the Kill van Kull and the entrance channel to Port Newark.

This channel presently ranges from 400 to 550 feet in width. Because of the danger this narrow width poses to navigation, a widening to 700 feet was authorized by Congress and the President. This authorization was contained in the 1966 Rivers and Harbors Act. This authorization of the project, as recommended by the U.S. Army Engineers, was accomplished in record time because of the recognition of and concern for Newark Bay navigational dangers.

The imperative nature of this improvement prompted me to offer an amendment to this year's public works appropriation bill asking for $1 million to begin work on the Newark Bay project. Regrettably, the 1968 bill passed the House without funds for Newark Bay.

In the next few moments I would like to outline the existing hazards in Newark Bay and the reasons why it is imperative that we provide at least $3 million for improvements in the future.

In addition to the narrow channel, there are two other hazards which contribute to the dangerous navigational situation. The first is the Central Railroad of New Jersey bridge which crosses the channel and provides two drawspans for vessels, 216 and 134 feet wide respectively. The second obstruction is so-called Bergen Point, a relatively blind, rock-strewn, sharp turn from the Kill van Kull into Newark Bay. It was near Bergen Point that the *Alva Cape-Texaco Massachusetts* disaster of June 1966 happened which resulted in 33 lives lost and millions of dollars in damage. Both of these restrictions intensify the problems associated with the narrow channel.

Not only are ship accidents on Newark Bay increasing, but they exceed the rate of accidents in other parts of the harbor. For the 13-year period 1950 to 1963, an annual average of three accidents occurred in Newark Bay. For the 1964–66 period, the average doubled to six per year. Furthermore, in 1964, on the lower Hudson River and Upper New York Bay, the port's prime artery of marine traffic, there was one accident per 11,000 movements; on Newark Bay in 1964 there was one accident for every 3,700 ship movements or three times as severe as the Hudson River-Upper New York Bay rate.

A major reason for this increase in accidents is that, while the width of the channel of Newark Bay has remained unchanged, traffic in the channel has grown by 80 percent in 11 years, from 25,800 vessel movements in 1954 to 45,200 in 1965, the latest figures available. The congestion caused by such a tremendous movement of ships, including awkward tows, imposes severe maneuvering restraints on large and cumbersome ocean vessels navigating these confined waters.

The following typical situation points up the gravity of the problem. On June 20, 1967, a 102-foot-wide tanker accompanied by tugs moved up the Newark Bay channel. Coming the other way would be one of the six, 905-foot-long, 103-foot-wide Sea-Land Service container ships being planned for construction. The width of the channel is 400 feet. When this container ship—about as large as the liner SS *United States* which operates in a 2,000-foot-wide channel in the Hudson River—meets the tanker, the two ships with their tugboats take up 305 feet of the 400-foot-wide channel. This leaves only 95 feet to spare. Actually, by applying the Army Engineers' own traditional methods for calculating channel widths, the situation requires a channel that is 885 feet wide.

The impact of this navigational nightmare being faced by ships using Newark Bay was recently summed up by Capt. William A. Mitchell, president of the Sandy Hook Pilots Benevolent Association, in testifying before the House Public Works Committee:

> Newark Bay is an area . . . where the narrow channel dimensions are so restricted that in many instances even the most capable pilots find navigation difficult. They are fearful also that they will find themselves in the midst of a holocaust such as the recent one caused by the collision (Alva Cape) . . .
>
> With the advent of larger ships, piloting in the Newark Bay area might now be compared to running a cabin cruiser through a drainage ditch. Although the problem is severe, it becomes multiplied when two vessels meet in a passing situation.

According to the U.S. Army Corps of Engineers, marine traffic will continue to grow on Newark Bay in the years ahead. In 1953, less than 1 million short tons of oceanborne cargo moved to and from points on Newark Bay. By 1965, this had grown to 10.5 million tons, with an additional 1.4 million tons destined for or originating along the Hackensack and Passaic Rivers. The Army Engineers predict that in 1975, over 16 million tons will move to and from the Elizabethport-Port Newark marine terminals. Of this volume, it is predicted, as much as 12 million will move by containerships. In addition, in 1975, more than 9 million tons of oil will be shipped by ocean tanker to the head of Newark Bay. And finally, there will continue to be voluminous movements of petroleum, sand, gravel, and rock, which are shipped via coastal steamers, barges, and tugs through Newark Bay and into the Hackensack and Passaic Rivers to serve the vital industrial-commercial complex of northern New Jersey.

It is of equal significance that in fiscal year 1967, the Port Newark and Elizabeth marine terminals handled about 281,000 measurement tons of Defense Department cargo, the vast majority of which moved in containers. Virtually all of this cargo moved out of Elizabethport.

Mr. Speaker, the move of United States Lines cargo operations to Elizabethport is a very clear indication of what is in store for Newark Bay in the future.

I might mention here that the fastest growing mode of ocean transportation on Newark Bay and throughout the waterways of the world will continue to be the movement of containerized cargo. The United States Lines operation will bring to 35 the number of American and foreign flag lines whose containership operations are based at the Port Newark and Elizabethport marine terminals. This section of the New York port has truly become the container capital of the world.

By 1975, the Port Newark-Elizabeth marine terminals will represent an investment of $300 million, and will have 22 of its 65 ship berths devoted to containerships. Since these containerships are generally larger than regular cargo ships, the impact on future traffic of the increased use of containerships on Newark Bay will be greater.

The navigational problems on Newark Bay can be summarized briefly as involving a channel that is too narrow to accommodate safely the growing numbers and sizes of ships using it. The cargoes moving in these ships represent a significant portion of the Nation's foreign and domestic trade.

While the actual numbers of vessels using the channel do cause congestion, and in particular, maneuvering difficulties among ocean vessels, the principal contributor to the problem is vessel size, and more specifically, vessel length and width. Even in the absence of vessel congestion, an encounter between a supercontainership and a supertanker, as illustrated earlier, is a prime ingredient for a disaster of the proportions of the *Alva Cape-Texaco Massachusetts*.

Mr. Speaker, I met with Budget Bureau Director Schultze last week and presented these same facts to him. I am hopeful that at least $3 million can be included in the coming budget to begin this urgently needed project.

The move by United States Lines to Elizabeth is only an indication of the

future prosperity of Port Newark, Elizabethport, and the other smaller ports on Newark Bay. But, Mr. Speaker, this future prosperity is closely tied to Newark Bay and navigability. By withholding these critical funds now, we are putting the futures of a great many people and industries in peril.

I am hopeful that the merits of this project will not be overlooked again.

MSGR. MICHAEL MULLIGAN

Mr. PATTEN. 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 Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, my hometown of Bayonne, N.J., is saddened today as one of its most distinguished citizens has found his final rest. Msgr. Michael Mulligan, who was intimately connected with St. Henry's Church in Bayonne for many years, was buried yesterday, mourned by people of every religion for his understanding of his fellow man and their problems.

The life of Bayonne was improved, both in quality and in depth, by Monsignor Mulligan's time among us and we will all miss his wise counsel and enlightened influence. His life spanned many changes, not only in his church but in his country and his community, and he gave courage and faith to all who knew him to meet these complex changes in these trying times.

I would like to place in the RECORD at this point an editorial from the Bayonne Times of September 27, which reflects the feeling of affection that all members of the community had for this beloved man of God:

MONSIGNOR MULLIGAN

Msgr. Michael Mulligan, like St. Henry's Church, was towering, impressive, formed in the traditional mold and a symbol of the endurance of the eternal values.

Although his name was synonomous with St. Henry's, his contributions were community wide. His founding of the Bayonne Visiting Nurses Association in 1921 was an act of responsible citizenship which has reaped countless benefits for thousands of Bayonne people.

His sponsorship of sororities for young Catholic women of the city gave hundreds of girls a unique opportunity to broaden their social and cultural experience close to home. St. Henry's Catholic Center which he built on West 30th Street included a dance floor, modern kitchen facilities, meeting rooms and, most of all, a wholesome environment.

The New Jersey Opera Guild which Msgr. Mulligan sponsored was an outstanding vehicle for young performers from the entire city and a source of enjoyment for thousands who heard the group perform. It was an activity which has never really been replaced in this city.

The esteem with which Msgr. Mulligan was held in the educational community was shown in 1950 when Seton Hall College conferred an honorary degree of doctor of laws upon him.

A loyal son of his church, his country and his city, Msgr. Mulligan will probably be best remembered as a man who strove to raise the cultural horizons of his fellow citizens and had notable success.

PROBLEMS OF MENTAL RETARDATION

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. ADAMS] 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 Jersey?

There was no objection.

Mr. ADAMS. Mr. Speaker, there are about 6 million Americans with severe handicaps for whom—and for whose families—our national assistance has been great, and yet far too little.

The 6 million Americans are the Nation's mentally retarded. They are as many as the combined populations of Maine, Oregon, Mississippi, North Dakota, and Wyoming. They are as many people as live in Los Angeles and Chicago combined. Life for them has taken on new promise since Congress passed major legislation in their behalf almost 4 years ago. Over $400 million each year is now appropriated for Federal programs benefitting the retarded. This achievement however, is only a beginning.

The President's Committee on Mental Retardation, established by President Johnson in 1966, recently issued its first report which outlines what we have accomplished on behalf of the mentally retarded and what still needs to be done. The Committee report lists several problems still facing us. Among these are:

The cause of three in every four cases of mental retardation remains unknown. And it is estimated that some 2,100 children who are or will become mentally retarded will be born every week in 1968. We must do more to reduce or prevent the disabilities associated with mental retardation.

Acute shortages of professional specialists—teachers, therapists, physicians, social workers, and nurses—still exist. The 81,000 full-time staff now working in public facilities for the mentally retarded must be almost doubled to reach minimum adequacy.

Three-quarters of the Nation's 201,000 institutionalized mentally retarded live in buildings 50 years old or more. The basic responsibility for providing satisfactory residential care has traditionally rested with the States. Few States, however, are financially able to provide the funds necessary to provide both for adequate capital improvements, and the ongoing costs of program maintenance.

An estimated 2 million retarded persons capable of learning to support themselves need job training and placement services. Even at minimum wage, these individuals have a potential annual earning capacity of $6 billion.

Mental retardation services must be made available to more of the Nation's people living in low-income, disadvantaged neighborhoods, both urban and rural.

Half of the Nation's 25,000 school districts offer no classes for the pupils having special learning problems and needs.

In his February 8 message to Congress on children and youth, President Johnson recommended a further commitment of funds to carry on our fight against mental retardation. The Mental Retardation Amendments of 1967 embody these recommendations and deserve our full support.

I commend the President's Committee report to the attention of my colleagues. If we are to solve the problems of mental retardation, we must continue to enlarge upon our commitment we undertook in 1963. Only then will we make it possible for a much larger number of the retarded to live with some degree of decency and normalcy in our society.

POVERTY WARRIORS HELP FLOOD VICTIMS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GONZALEZ. Mr. Speaker, it is with pride I ask unanimous consent to address the House to relate what the war on poverty warriors of San Antonio have done to help in a crisis.

The Job Corps Center at Camp Gary was asked by the Salvation Army to determine whether any corpsmen would volunteer for relief work. The corps center then asked for and got volunteers who were used in various relief operations. I can get full details tomorrow morning on numbers involved, what they did, and so forth.

SANYO headquarters were used as a center for collecting and distributing civil defense supplies—bedding, blankets, food, and water—to refugee shelters. About 2,500 units of bedding were furnished. San Fernando Center held a total of 84 refugees in shelter. All SANYO buses were used for the transportation of people from the shelters to feeding points, and back, and to transport supplies. All SANYO centers were used as collection points for food and clothing gathered in a weekend clothing drive by SANYO staff and enrollees. This material was then turned over to relief organizations.

POVERTY WARRIORS HELP FLOOD VICTIMS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GONZALEZ. Mr. Speaker, the Economic Opportunities Development Corp., local coordinating unit for war on poverty programs, on Monday added school classes for children of refugees from Hurricane Beulah to services it has been volunteering for evacuees since they be-

gan arriving in San Antonio last Wednesday.

Pepe Lucero, EODC executive director, said seven teachers began classes in the basement of the municipal auditorium Wednesday afternoon. Five are from Headstart day care centers operated by the YWCA and Alamo Methodist Greater Parish as delegate agencies of EODC, and two are from the Inter-American Educational Center, Tower Life Building, which is cooperating in the temporary teaching project.

Classes will be continued as long as evacuees remain at the municipal auditorium.

Saturday, EODC provided tours of Witte Museum, the San Antonio Zoo, San Antonio International Airport, and the Alamo for 257 evacuees. Buses for the tours were loaned by St. John's Seminary and Mount Sacred Heart, St. Ann's, and Christ the King schools.

At the same time, 250 enrollees in the San Antonio Neighborhood Youth Organization, another EODC delegate agency, were conducting a food and clothing drive for refugees at 30 SANYO centers on the south and west sides. Several truckloads of food and clothing were turned in to the Salvation Army.

SANYO headquarters at 1000 West Harriman Place was used as a distribution center for 3,000 cots and mattresses and 3,000 quilts.

Last Thursday, EODC released 60 recruiters in its new concentrated employment program to aid Beulah refugees and opened the CEP intake center at 330 North Laredo Street as a refugee shelter.

Fred Baldwin, Southwest regional director for the Office of Economic Opportunity, wired war on poverty agencies in San Antonio, Edinburg, Corpus Christi, Falfurrias, and Uvalde on Wednesday urging them to mobilize their resources to aid Beulah victims.

A PLAN FOR RECONSTRUCTION AND RECOVERY OF UNITED STATES-MEXICO BORDER AREAS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GONZALEZ. Mr. Speaker, Hurricane Beulah and its aftermath of rains and high winds have caused death and destruction along vast stretches of the border between the United States and Mexico. No one knows how great the losses are, and it will be impossible to calculate the damage for months to come, but it is plain that the hurricane has caused the greatest losses ever sustained by the affected area from any cause. There is not only loss of life, but there is loss of ways to sustain life. The suffering and loss left by this hurricane knows no international boundaries—vast areas of Mexico as well as the United States lie inundated.

This is a disaster of international proportions and it demands international efforts to restore and revitalize the affected areas. If disaster is common to both the United States and Mexico, so too must reconstruction be common to both countries.

I am glad to report to the House that during the height of the storm, rescue efforts were an international work. Thousands of residents and citizens of Mexico found shelter in the United States. I feel certain that citizens of both countries owe their lives to the efforts of citizens of the other.

When life itself is in danger there can be no border, and there was none during the storm. But the saving of life is only the beginning of efforts essential to assuage the suffering caused by Hurricane Beulah, and restore the losses resulting from it.

Just as the rescue operations knew no nationality, so must reconstruction efforts be common to all citizens of the affected areas. I believe that this disaster offers opportunity for a new kind of international cooperation and mutual help. If this opportunity is grasped, the border between the United States and Mexico will be a new kind of border, and the citizens of both our country and Mexico will know a new era of economic strength and prosperity. I believe that the means are available to achieve this; we need only the direction and will to do so.

I have a plan which I believe will enable the Governments of the United States and Mexico to build not only a new border, but a new feeling of mutual confidence and trust between the people of the United States and Mexico.

I think that you, Mr. Speaker, and most of my colleagues are aware that President Johnson and President Diaz Ordaz are interested in building a new kind of border between the United States and Mexico. Some months ago, the Governments of these countries created a Commission for the express purpose of finding ways and means of improving the border. I believe that this Commission, the Joint United States-Mexico Border Development Commission, can now be used to reconstruct and rehabilitate the border areas damaged by the hurricane. This Commission is already in being and in business, and it can be used to carry out the plan I have in mind.

The immediate need in a disaster is to save life, and this has already been done. After that, refugees must be given shelter, food, and medical care and such other essentials as may be required. But this is only the beginning of work that must be done in a disaster area, and this has been done in this case.

I propose that the President of the United States suggest to the President of Mexico that the Joint United States-Mexico Border Development Commission be assigned the task of rebuilding the border areas which now lie in ruin and disaster as a result of Hurricane Beulah. This would be a task of mutual help and mutual work, a common effort to meet the needs created by a common disaster.

I believe that the President of the United States could initiate this international effort by suggesting to the President of Mexico and the Joint United States-Mexico Border Development Commission be assigned the reconstruction task; I have so suggested to President Johnson.

I believe that the Commission could handle short-term and long-range needs created by the hurricane. First, the Commission should be empowered to coordinate efforts on both sides of the border to provide temporary housing for those left homeless by the hurricane and the flooding which followed it. Possibly the Commission could select sites for shelter areas both in the United States and Mexico, and coordinate the supplying of military and civil defense material for housing, power supply, food, medical supply and even transportation to and from the shelter area to areas under rehabilitation. The Commission could coordinate the supply of equipment and manpower needed to operate the shelter areas, and to provide police protection and other essential services to the disaster area.

Aside from meeting immediate and critical needs, the Border Development Commission could coordinate efforts to restore essential services to towns and cities affected by the storm. Massive sanitation efforts must be taken on both sides of the border, for example, to restore water supplies and to restore sewer lines. Gas and power lines must be repaired, since both are sources of great danger when they are broken. Police services must be restored, and this will probably require military manpower, since the police problem is greatly compounded whenever there is disaster.

The Joint Commission could see to all these needs and more. By coordination of efforts, I believe that these needs can be met more quickly and effectively than they could be otherwise.

Once the immediate needs are taken care of, there will still remain the problem of rebuilding. Again, this can best be coordinated by the Joint Commission, and again, the job must be done both in the United States and in Mexico.

I believe that the Joint Border Development Commission should be assigned the task of surveying and assessing damage on both sides of the border, and recommending a program of recovery and reconstruction. Such a program might include the building of jointly planned and owned bridges, water supply systems, sewage disposal systems, and other public services. Presently, services are generally of a dual nature along the border; there is no reason why this uneconomic and inefficient situation cannot be corrected during the reconstruction of damaged areas. There could even be jointly built and owned power facilities and communication systems. In short, the Commission could for the first time explore ways and means of providing the most efficient services possible for all residents of the border area.

Finally, the Commission could coordinate the actual execution of the plans it recommends. This would include the arranging of financing, procurement of material, execution of contracts, and all other aspects requiring a central administration.

Certainly the rebuilding of the border area will be a costly undertaking. I be-

lieve that this is no obstacle. Capital can be provided through a new international bank, which would work with the Joint United States-Mexico Border Development Commission to provide necessary loans and grants for capital projects. This Bank would be called the Bank for Recovery and Reconstruction and would operate for the purpose of providing both short- and long-term capital which would be required to carry out plans recommended by the Border Development Commission.

I believe that the plan I have outlined will enable a prompt and full recovery from the effects of the hurricane. I believe that such a plan would open the way to greater strength and prosperity of both the United States and Mexico, and would show the way to better understanding not just in this country, but everywhere else a similar kind of program might be initiated.

NEW JOBS ACT OF 1967

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. FRASER] 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 Jersey?

There was no objection.

Mr. FRASER. Mr. Speaker, today I have introduced H.R. 13196, the New Jobs Act of 1967. The disturbances that have shaken American cities in recent weeks make clear the need for legislation such as this. Every Member of Congress is more acutely aware than ever before of the dangers of unemployment and the necessity of providing new job opportunities for unemployed and underemployed Americans. Our best way of combatting poverty, it has been generally agreed, is finding jobs.

My bill calls for four major job-creating programs. Three are included in the Economic Opportunity Amendments of 1967, which are now being debated in the Senate. These are work and training programs, a special impact program, and the Emergency Employment Act of 1967. My principal reason for introducing these three Senate measures, plus an extra increase for the Neighborhood Youth Corps, is to focus the attention of the House on them. I urge Senate passage and early House action.

The fourth major program in the bill is the Payroll Supplement Act of 1967, which is designed to make economically possible the employment of workers unable to meet the standards of the existing labor market. Private enterprise, with Government assistance, would help develop new jobs for persons who do not now have marketable skills—those with severe employment problems and handicaps, for example.

My estimate, Mr. Speaker, is that the payroll supplement program alone could open up more than 500,000 job opportunities, while the other three programs in the bill could provide part-time or full-time jobs for more than a million youths and adults. One of the most important features of this bill is the involvement of all levels and sectors of our society. Federal, State and local governments would work side by side in fighting poverty by creating jobs. Joining in the effort from the private sector would be nonprofit corporations and private industries. Poverty in the United States will never be eliminated until jobs are found for every American who wants to work. The resources are there. To be used effectively, they must be harnessed into a massive, concerted campaign.

Mr. Speaker, for the information of the Members, I ask that the following excerpts from the report of the Senate Committee on Labor and Public Welfare—sections of the report pertaining to the three programs to which I have referred—be reprinted in the RECORD:

LEGISLATIVE RECOMMENDATIONS FOR WORK AND TRAINING PROGRAMS

The committee has concluded that a more effective, total manpower system is needed in the United States, one which would provide for a coordinated approach at all levels—Federal, State, and local. To achieve this objective completely goes far beyond the scope of the Economic Opportunity Act and cannot be accomplished at this time. However, to the extent that manpower programs are authorized by this act, the committee bill takes a first step toward building a better manpower system.

1. Purpose

The bill consolidates the manpower activities carried out at the community level under the Economic Opportunity Act into part B of title I. The focus is upon unemployed or low-income persons, both youths and adults, with emphasis upon local initiative and upon effectively utilizing all available public and private resources (sec. 120). The act assigns responsibility to the Director of the Office of Economic Opportunity, but it is expected that he will delegate operating responsibility to the Secretary of Labor, using a delegation order which promotes maximum coordination with other parts of the poverty program.

2. Prime sponsor

Two major mechanisms are used to achieve coordination. First, drawing on the experience of the concentrated employment program funds will be channeled to the communities through a prime sponsor, which will be the community action agency unless the Director determines that an alternative sponsor, such as a municipal manpower department, is likely to have greater capability. The prime sponsor must provide for participation of employers, labor organizations, and residents of the areas and members of the groups served (sec. 122).

3. Comprehensive program

Second, the prime sponsor is required to develop and implement a comprehensive work and training program which provides participants a wide range of choices and an unbroken sequence of services which will enable them to obtain and hold employment. This would consist of a systematic approach, linking together programs financed under the Economic Opportunity Act, other Federal programs, and private efforts (sec. 121 (c)). It is expected that commonsense will be used to implement this requirement so that action programs are not delayed while a "plan" is being made, but at the same time a planning and implementation process should be instituted which leads to an effective community manpower system. To assure that this happens, the comprehensive work and training program required by this act should be interconnected to the comprehensive area manpower planning system (CAMPS) recently instituted, which utilizes the MDTA program as the point of departure. The goal should be a single community manpower system for the poor with considerable local flexibility on how this should be brought about.

4. Delegate agencies

It is intended that the prime sponsor concentrate its main efforts on planning and coordination and not operate all the community programs, although it may conduct some activities if appropriate. But extensive use should be made of delegate agencies, including both the established agencies, such as those which receive funds under other Federal programs, and also new neighborhood-based organizations formed by residents of the areas served (sec. 122(d)). If necessary to enhance program effectiveness or acceptance on the part of persons served, the director may provide funds directly to independent agencies rather than going through the prime sponsors (sec. 123(c)), but this authority should be used in such a way as not to undermine the systematic approach. For example, this might be done with the in-school Neighborhood Youth Corps in certain communities, but the authority for independent financing should not be used in such a manner that it undermines a community's comprehensive approach.

5. Eligible activities

Authority for all the existing programs is continued, including the Neighborhood Youth Corps, Nelson amendment, Scheuer amendment, and the concentrated employment program, along with necessary supportive services and administrative staff (sec. 123(a)). The upper age limit is removed from work and training programs of the type conducted by the out-of-school Neighborhood Youth Corps, recognizing that some adults could benefit from such activity, and sufficient basic education and institutional or on-the-job training is required in order to remedy the training shortcomings of the present program (sec. 123 (a)(2)). Lack of employment opportunity is added to the possible criteria for eligibility in the Nelson amendment program (sec. 123(a)(3)), and while it is hoped that participants can be placed in competitive employment as soon as possible, they should not be pushed out if there are no jobs available. The Scheuer amendment is further elaborated to stress the need to create new careers with job ladder opportunities (sec. 123(a)(4)). The concentrated employment program is given legislative authorization (sec. 123(a)(5)), and it could be carried out in urban areas with concentrations of low-income unemployed persons and in rural areas with high proportions of such persons. It is also intended that communities may exercise local initiative to develop other component programs consistent with the purposes of this part.

The committee bill permits financial assistance for recruitment, counseling, and placement services, which may be conducted by public or private organizations (sec. 123 (b)(7)). Preference, however, should be given to the U.S. Employment Service where appropriate. In any case, all such activities funded under this act must complement, and not duplicate, the work of the Employment Service, which in turn should be encouraged to outstation personnel in neighborhood centers and mobile units which serve the poor, using its own resources as far as possible but as necessary supplemented by funds from this act.

A new eligible activity is the provision of incentives to private employers other than nonprofit organizations to hire and train unemployed or low-income persons (sec. 123 (a)(8)). The committee feels, based on reports which it has received, that in many cases the incentives and reimbursements to private employers under existing programs are inadequate to induce such employers to hire and train on-the-job unemployed and severely disadvantaged individuals. A variety of such new incentives should be made

available to induce the private sector to take a greater role in the employment and training of such persons. These incentives might take the form of reimbursements to employers for a limited period when an employee might not be fully productive. However, wages shall be paid only by the employer and must be not less than the Federal minimum wage. Payments may be made to employers for on-the-job counseling and other supportive services, and for recruitment in areas with high concentrations or proportions of unemployed or low-income persons. Employers may also be given financial assistance to enable them to provide transportation assistance to employees, particularly when the low-income areas are a considerable distance from the place of employment. The committee increased the requested authorization for title I part B by $10 million to assure funds for this special incentive program and feels that at least $15 million should be allocated for these purposes in fiscal year 1968.

The committee expects that appropriate regulations will be issued to safeguard against abuses of any of these incentive programs, including but not limited to safeguards against the use of such incentives by any employer in order to transfer any enterprise from one area to another and safeguards designed to prevent the incentives from being used as a subsidy for normal operations. The incentive program should, to the maximum extent feasible, contribute to the occupational development and upward mobility of individual participants.

6. Funding consolidation

Previously existing community activities financed by this part are required to be consolidated into the comprehensive work and training program by July 1, 1968, and funds must be channeled through the prime sponsor after that date (sec. 123(b)). The Director, however, may give an extension of time for good cause, as for example in some rural communities which may not have yet developed an adequate administrative structure to serve as prime sponsor. However, the process of funding consolidation should not be allowed to disrupt program operations, and generally the present program operators should continue as delegate agencies. Where conflicts are unresolved between the designated prime sponsor and the present operations, the Director has the option of independent funding (sec. 123(c)) until the community manpower system is more fully developed; this might be the case in some rural areas with "green thumb" programs which are activities that should, at least initially, continue under direct funding. To the maximum extent feasible, the work and training components of the title V, work experience and training program, should be made part of the community's comprehensive work and training program. Where appropriate, funds for such components should be channeled through the prime sponsor although it is recognized that this will not always be practicable, such as where the work experience and training program operates on a statewide basis.

7. Participants

Program participants in programs authorized under part B must be unemployed or low-income persons and permanent residents of the United States (sec. 125). The definition of "low income" should be the same for this part and title II, with the Director consulting with the Social Security Administrator. Special attention would be given to providing employment opportunities to persons 55 years and older, for this group of the poor has been served inadequately in the past (sec. 126).

8. Special conditions

The bill retains the special conditions of existing law which preclude employment on projects involving political parties or facilities for use for sectarian or religious worship, and which provide protection for employed workers and existing contracts of service. Program activities related to physical improvement must give preference to those which benefit low-income persons (sec. 124).

9. Pilot projects, technical assistance and training

The committee bill establishes a program of pilot projects designed to develop new approaches and requires that one focus of such projects be the encouragement of maximum participation of private, profitmaking employers (sec. 127). Provision is also made for technical assistance and training (sec. 128). The States are given a role for technical assistance, coordination of related State activities, operation of work and training programs in communities without an acceptable prime sponsor, and provision of work and training opportunities on State projects and in State agencies (sec. 129).

10. Fund allocation

Up to 20 percent of the funds authorized for this title may be reserved for the concentrated employment program and allocated in a manner that does not permit more than 12½ percent to go to any one State. The other funds for comprehensive work and training programs must be allocated so as to meet the criteria which apply to the Neighborhood Youth Corps in existing law, that is, to take into account rates of population, unemployment, and family income levels (sec. 130). The maximum Federal share is 90 percent for these basic activities, and a community may pool its matching contributions with those required in title II for the community action program (sec. 131).

11. Evaluation

The bill requires the development and implementation of a program data system and an evaluation program so that the results of these programs can be carefully measured and compared with other Federal manpower programs (sec. 132). The committee expects OEO and the Labor Department to begin the publication of comparative results within 1 year.

VI. Special Impact Program

A. Findings

The special impact program was added as part D of title I of the Economic Opportunity Act in 1966. The purpose was to establish special programs in communities and neighborhoods with especially large concentrations of low-income persons. The committee's intent was that the number of communities selected should be limited so that sufficient resources could be available to have a significant impact in those selected. The authority of the amendment was broad enough to permit economic and community development as well as manpower training activities.

Responsibility for the special impact program was delegated by the Director of OEO to the Secretary of Labor, who assigned the program to the Manpower Administration. The Labor Department used the funds in two ways: $17.4 million was allocated to the concentrated employment program, which was discussed previously, and the remaining $6.9 million was granted for a program in the Bedford-Stuyvesant section of New York City for an effort more in line with the committee's original intentions. For this latter program, the Labor Department signed a 2-year contract with two nonprofit corporations to conduct components related to (1) industrial development, (2) community facility development, (3) community rehabilitation planning, (4) community home improvement, and (5) related manpower services. This effort has just commenced.

B. Legislative Recommendations

The committee bill authorizes the continuation and expansion of the special impact program, contained in title I, part D. Although the committee had intended that the funds provided for this program be concentrated primarily on economic and community development and manpower training, the Labor Department, to whom the program was delegated, used a substantial part of the funds for the concentrated employment program. Economic development activities, in particular, were deemphasized. Since the concentrated employment program is given a separate authorization (sec. 123(a)(5)), the special impact funds this year should be used as the committee originally intended.

1. Purpose

The purpose of the program is to commit enough resources to selected urban and rural areas with large concentrations and high proportions of low-income persons in order to have an appreciable impact. Thus, the number of areas selected should be restricted in number so that each will have sufficient funds to achieve the intended results (sec. 150). The program has been amended to authorize assistance to rural areas, with an emphasis upon those rural areas having substantial outmigration to urban areas served. In this manner, the committee has recognized that the solution of problems of unemployment in urban ghettos requires a concurrent attack on rural unemployment which is stimulating heavy population migration to the city slums.

2. Financial assistance

The bill authorizes financial assistance for both public and private organizations, including private profitmaking organizations as appropriate (sec. 151). Such assistance may be provided either through grant or contract.

3. Eligible activities

Among the eligible activities are the following: (1) economic and business development programs, which may include provisions of (a) financial and other incentives to businesses to locate in or near the areas served and (b) technical and management assistance to small businesses in the area or owned by area residents; (2) community development activities, particularly those which create new training and employment opportunities and which contribute to an improved living environment in the program area; and (3) manpower training programs which support and complement the economic and community development programs (sec. 151). A wide variety of economic development and small business assistance activities are intended to be authorized by this section, including preparation of economic development plans, conduct of economic and market research, the furnishing of loans, loan guarantees, insurance, and other economic incentives, and the furnishing of technical assistance. Since the Economic Development Administration has substantially greater expertise and experience in these areas than does either the Office of Economic Opportunity or the Department of Labor, the committee expects that it will play a major roll in the economic development and small business assistance aspects of the special impact program. Every effort should be made by the Department of Labor and the Department of Commerce to develop joint application and funding procedures covering both the manpower training and economic development aspects of any special impact, project, including the use of authority made available under section 612.

The committee expects that the Secretary of Commerce will use such funds provided pursuant to section 151 as may be necessary to add personnel needed by his Department to implement this economic development and small business assistance program.

4. Coordination

The special impact program should be very closely linked to related activities, including other programs of the Economic Op-

portunity Act, the Manpower Development and Training Act, the Public Works and Economic Development Act, the model cities program, and other community development programs administered by the Department of Housing and Urban Development (sec. 152(a)(4)). The committee has carefully studied these other programs and has concluded that none of them is able to achieve what is intended in the special impact program. The economic development program, which the Commerce Department administers, is not permitted to focus on a limited community within a large city, as this program intends, nor does it have sufficient program breadth to deal with many of the interrelated and underlying economic causes of poverty in urban slums. Nonetheless, many of these other programs have contributions to make and should be mobilized in a total approach. To promote this objective, the bill (a) requires the Secretary of HUD to take necessary steps to assure that urban renewal land is available for business location and expansion, (b) makes the special impact project areas "redevelopment areas" within the meaning of the Public Works and Economic Development Act, and (c) encourages the use of Federal contracts, subcontracts, and deposits to promote the economic development of the project areas (sec. 153).

5. Business participation

Participation of local businessmen from the poverty area involved, as well as business leaders from the city as a whole, and the State in the case of rural programs, is an essential part of the special impact program. They should be involved, for example, on boards of directors of agencies implementing the program, on advisory councils, and in other ways.

6. Community participation

Experience of the first year's operation demonstrates that successful program operation, including active participation by business, requires and depends on the utmost cooperation of community residents. That cooperation, in the view of the committee, will best be achieved through effective and substantial participation of the residents in program decisions, responsibility, and benefits. Community and community-based corporations, which have demonstrated their potential utility as vehicles for such participation, should be encouraged by the Department of Labor to undertake sponsorship of programs under this part.

XIV. Emergency Employment Program

A. Findings

In the hearings held by the committee throughout the length and breadth of the continental United States, a clear consensus emerged that jobs are the single most important way to combat poverty.

Erwin D. Canham, editor-in-chief of the Christian Science Monitor and chairman of the Task Force on Economic Growth and Opportunity of the U.S. Chamber of Commerce, told the committee, "Expert after expert, when consulted by the task force, has emphasized that income and place in the social and economic scheme can best be restored by providing the employable poor with training and job opportunities. These have the effect of bringing them into the mainstream of the economy, rather than merely paying them to remain outside."

Andrew Biemiller, director of legislation, AFL–CIO, recommended: "As a major aspect of the war on want we urge the inauguration of federally supported job-creating programs that would put the hard core unemployed to work providing needed public facilities and services."

Bayard Rustin, civil rights leader and executive secretary of the A. Phillip Randolph Institute, stated, "The great majority of the people who are poor, I am convinced, want work, but that work won't be found until we are prepared to establish a full and fair employment economy. We need public services, which is one means of creating full employment."

John Reading, mayor of Oakland, Calif., reported, "When visiting the neighborhood center, I find that most of all, the people want jobs. I feel very strongly, and the ones around me feel very strongly, that if we can provide jobs that we in turn then, over a period of time, will to a great extent solve the rest of the social evils that apply to a poor city."

These leaders reflect the views of the American people. In a public opinion poll taken August 14, 1967, to determine what the people believe would be an effective way to deal with the urban crisis, Louis H. Harris & Associates, Inc., found that 69 percent of the public favor setting up large-scale Federal work projects to give jobs to the unemployed.

The conclusion that jobs are the central need of the poor is well founded in statistics. In 1966 when the U.S. employment rate averaged 3.8 percent, the rate for the disadvantaged was much higher; for all Negroes, 7.3 percent; for all 16- to 19-year-old youths, 12.7 percent but for Negro youth, about 25 percent. The unemployment rate for those with 8 years or less of education tends to run twice the national average for all workers.

A survey of 10 urban slum areas conducted by the Labor Department in November 1966 found 1 out of 10 workers unemployed. Yet these figures do not tell the true story, for they do not reveal the extent of hidden unemployment. To get the whole picture it is necessary also to consider those with part-time jobs who want full-time work, those earning too little to meet their families' minimum subsistence needs, and those who could work but are not looking because they are discouraged at the prospects. Adding these to the traditional unemployment rate yields what the Labor Department calls the "subemployment" rate. In the 10 slum areas, this rate was 34 percent, or three times the usually reported unemployment rate for those areas.

In magnitude, the number unemployed and looking for work in the United States has averaged nearly 3 million during the first half of 1967. To reduce unemployment to a rate of 3 percent, which used to be the Federal goal, would take 600,000 new jobs. To take care of underemployment and hidden unemployment might take twice that number, and perhaps more.

Nonetheless, projecting the findings from the 10 slum areas to the Nation as a whole, the Labor Department concluded that, as bad as the problem is, it is of manageable proportions. Given more resources, the high rate of unemployment could be drastically reduced in a reasonable period of time. The committee is convinced that this would be true even with the addition of rural areas with severe unemployment, although the types of programs would vary some between urban and rural areas.

While a major part of the problem is the lack of job qualifications of the unemployed, no amount of training will solve the total problem unless the jobs are there. Conversely, if jobs are certain, training can be accelerated. As evidence, recall the illiterates who became production workers with only a few months on-the-job training during World War II.

The committee's amendments to the Economic Opportunity Act, particularly to part B of title I, have expanded and strengthened the training programs for the disadvantaged. But this is not enough. The extent of unemployment in our inner city areas and in certain rural areas severely affected by technological change is such that a crisis exists. Emergency measures must be taken immediately. Federal funds should be invested now in creating jobs for the unemployed.

This reiterates what the Subcommittee on Employment, Manpower, and Poverty recommended in 1964: "Federal, State, and local governments should undertake a joint program to directly employ the hard-core unemployed in poverty-stricken areas, both rural and urban, in an attack on the deficiencies of their own environments. Financial support should be provided by the Federal Government. Local governments and private groups should provide the proposals, planning, and administration."

Since then, three Federal commissions appointed by the President have affirmed this recommendation. In February 1966, the National Commission on Technology, Automation, and Economic Progress recommended a 5-year program of public service employment with a sum of $2 billion for the first year. In June 1966, the White House Conference "To Fulfill These Rights" urged the development of "government-financed employment programs on public works and services to guarantee the availability of jobs to able workers who cannot be placed in, or promptly, trained for, regular employment." In July 1967, the National Advisory Commission on Food and Fiber proposed that Federal funds be granted to State and local governments and certain types of nonprofit institutions which would serve as "the residual employer" in rural areas with high unemployment until economic development programs can take hold.

Each of these bodies has identified public service employment as an especially fruitful source of additional, socially useful jobs. The "Automation" Commission, for example, estimated that at least 5.3 million such jobs could be filled: 1.2 million in medical institutions and health services, 1.1 million in educational institutions, 1.3 million in national beautification, 700,000 in welfare and home care, 350,000 in public protection, and 650,000 in urban renewal and sanitation. In a study conducted for the Office of Economic Opportunity, Greenleigh Associates, Inc. calculated that it would be practicable to fill more than 400,000 such jobs during the first year of a new employment program.

The evidence is strong and consistent. Jobs are central to solving the crisis of cities and depressed rural areas. Public service employment provides an immediate remedy. Federal resources must be used, but the job creation programs should be locally operated. All that is lacking is the national commitment. To supply this missing link the committee recommends the adoption of the Emergency Employment Act of 1967.

B. Legislative Recommendation

1. Purpose

The purpose of the proposed Emergency Employment Act is "to provide meaningful employment opportunities in public service and other activities which will relieve severe unemployment in urban and rural areas and contribute to the national interest by fulfilling unmet needs" (sec. 202).

2. Administration

The act would be administered by the Secretary of Labor. He would have the option to delegate this task to the most appropriate agency in his Department such as the Manpower Administration, which now operates the manpower programs under the Economic Opportunity Act and other acts. To administer this program effectively will require considerable talent. The committee recommends, therefore, that sufficient supergrade positions be made available to the Department.

3. Eligible areas

The act is intended to and specifically states that the program must serve both urban and rural areas, but to qualify, an area must contain a high proportion of low-income families and individuals and have severe problems of unemployment and underemployment (sec. 203). Such areas may be defined without regard to political boundaries. The intent is that the program must be pinpointed to areas of intense need. In the cities, these are the poverty areas which

are generally concentrated in the inner city. In rural areas, these tend to be the counties with high unemployment and outmigration due to technological change. Even though an urban program might be focused on part of the city, an appropriate citywide public or private agency may be used as the prime sponsor of the local program. In many rural areas it might be advantageous to utilize a multicounty agency as a prime sponsor.

4. Program operators

Programs may be operated by either public agencies or private organizations, including profitmaking organizations under contract (sec. 204(a)). Preference should be given to local arrangements which can produce jobs quickly but which also have ties with the local manpower system in order to assure avenues for further training and job placement in competitive employment. Where possible, the program would be appropriately channeled through the prime sponsor of work and training programs required for title I, part B of the committee's amendments to the Economic Opportunity Act. However, if a community has difficulty in forming an effective prime sponsor, the Secretary should fund individual programs directly so as not to delay the creation of new jobs. Even with the use of a prime sponsor, the Secretary may reserve the right to fund directly an independent project which shows great promise of useful work activities for those in need but is not part of package developed by the prime sponsor. The aim should be expeditious action but with the realization that long-range considerations require programs which are linked to a total community manpower system.

5. Financial assistance

The Secretary may provide financial assistance either in the form of grants or contracts (sec. 204(a)). Such assistance may be used to pay part or all of the costs of local programs, including wages and fringe benefits for participants, supervision and administration, education and training where necessary, supplies and equipment, but not capital expenditures, except as part of a work project. A high proportion of project costs would go for participants' wages. Although training costs are permitted, where possible, other Federal training programs should be utilized to supply this component.

6. Local initiative

There should be a maximum emphasis on local initiative and responsibility, particularly in determining areas of need, in selecting participants eligible for assistance, and in developing and selecting job opportunities and projects (sec. 204(a)). While it would be useful for the Department of Labor to develop model programs which could be easily adapted by local agencies; but these should not be imposed on localities nor be given perference over locally developed projects.

7. Requirements for local participation

Local sponsors must achieve full participation and gain the maximum cooperation of local public officials, residents of the areas served, and representatives of such private organizations as business, labor, civil rights, social welfare, and other groups concerned about employment opportunities (sec. 204(a)). The local sponsor must also assure that the emergency employment program is fully coordinated with other relevant programs, including the Manpower Development and Training Act of 1962, the Economic Opportunity Act of 1964, the Public Works and Economic Development Act of 1965, and the Demonstration Cities and Metropolitan Development Act of 1966. Particular attention should be given to the various housing and community facilities programs administered by the Department of Housing and Urban Development in urban areas and the Department of Agriculture in rural areas so that the jobs made available under these programs can be fully utilized. The Secretary of Labor should take steps at the Washington level to promote coordination with these other Federal programs.

8. Types of Jobs

The Emergency Employment Act is intended to be primarily a job-creation program. Therefore priority must be given to projects which are labor intensive in character (sec. 204(b)). The jobs may be related to either services or supporting facilities. They may be in such fields as health, public safety, education, recreation, streets, parks and municipal maintenance, housing and neighborhood improvement, conservation and rural development, beautification, and other fields of human betterment and public improvement. Such services and supporting facilities may be provided by public or private nonprofit agencies or by a private, profitmaking organization under contract. Regardless of the sponsor, the jobs should consist mainly of those which can be filled by the disadvantaged, including persons who are unable to find work in regular employment, and persons who are graduating from training programs (such as for "new careers") but for whom no relevant employment is available. In places with a chronic labor surplus, such as depressed rural areas, skilled workers may be unemployed, and they too may be served by this program.

9. Occupational Advancement

Strong efforts should be made to prevent the jobs created by this program from becoming deadend jobs. With that in mind, the Secretary may provide financial assistance for education, training, and supportive services which help participants prepare for regular competitive employment. He should also take steps to assure that job-creating activities are linked with other training programs (sec. 204(c)). Thus, title I, part B of the Economic Opportunity Act (as amended by the committee) could be used to provide basic education and supplementary training to persons involved in the emergency employment program. Such persons also might move into on-the-job training under the Manpower Development and Training Act. The Department of Labor should audit the performance of local sponsors to be certain that they are advancing participants to regular competitive employment as soon as practicable. However, this requirement should not be blindly enforced to force participants out of the program before other jobs are available.

10. Private employment

The total program should have a strong private enterprise thrust. The Secretary should assure that maximum effort is made to encourage private employers to adopt innovative approaches which create additional jobs and new types of careers for low-income and disadvantaged persons. As appropriate, he may provide financial assistance to achieve that goal, such as to organizations which provide information and technical assistance to business enterprises seeking to hire more of the disadvantaged.

11. Loans

Some of the potential public service projects are of a nature requiring a sizeable investment in supplies and equipment. Such examples are sidewalk paving, playground construction, building of picnic facilities, rehabilitating and equipping day care centers, planting shrubs and trees in beautification projects. Although a reasonable expenditure for supplies and equipment may be made with funds provided by this act, this should not become excessive. It is likely that many local governments would be able and willing to provide supplementary funds for this part of the project costs, either from the operating or capital budget, but since local budgets are adopted long before a new Federal program is enacted, there is inevitably a delay. For that reason, the Secretary is authorized to make loans for the purchase of supplies and equipment which support and supplement projects of the emergency employment program (sec. 205(a)).

Loans under this program will bear the interest and carry other terms and conditions as the Secretary may subscribe (sec. 205(b)). He may approve no-interest loans to municipalities and other local sponsors if necessary to get the program going.

12. Eligible participants

Participants in programs under this act must reside in the areas served and must be unemployed or low-income persons. Low income is to be defined the same way as in section 125 of title I, part B of the Economic Opportunity Act, which in turn is tied to a definition developed in consultation with the Social Security Administrator, taking into consideration family size, urban-rural and farm-nonfarm differences, and other relevant factors. The intent is to achieve reasonable uniformity of eligibility for related Federal programs (sec. 206).

13. Special conditions

The bill contains special conditions and limitations which experience with related programs has shown to be necessary (sec. 207). Projects may not involve political parties or so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship. No program may result in the displacement of employed workers or impair existing contracts for service, nor may a program result in the substitution of Federal funds for other funds for work that would otherwise be performed. Wages must be the highest of (*a*) the Federal minimum wage, (*b*) the most comparable State or local minimum wage, or (*c*) the prevailing wage rate in the area for similar work. Programs must contribute to occupational development or upward mobility of participants, to the extent feasible. Where a program involves physical improvements, preference must be given to those which are used by low-income persons. The Secretary is required to have regulations related to internal administrative controls, accounting requirements, personnel standards, and evaluation procedures of agencies and organizations receiving financial assistance. Programs should seek to eliminate artificial barriers to employment and occupational advancement, and particular attention should be given to altering civil service requirements which restrict employment opportunities for the disadvantaged.

14. Reports

The committee wants to be certain that the emergency employment program is working effectively. Therefore, the bill requires the Secretary to report to Congress twice a year (sec. 208).

15. Authorizations

The bill authorizes $1 billion for job creation for the 1968 fiscal year and $1.5 billion for 1969. A loan fund of $300 million is established for 1968. All these sums shall remain available until expended (sec. 209).

The committee estimates that each job will average $4,000 in annual wages and that another $1,000 will be required for fringe benefits, supervision, administration, supplies, materials, and equipment. Thus, $1 billion will allow for the creation of 200,000 jobs. At this stage it is not possible to predict the turnover rate, but if a participant holds such a job an average of 8 months before moving to a job in regular competitive employment, 300,000 persons could be served in a year for each $1 billion.

DELIBERATE MISREPRESENTATION IN THE WASHINGTON POST

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman

from Louisiana [Mr. WAGGONNER] 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 Jersey?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, the Washington Post, never a newspaper dedicated to either the truth or honesty, contains a story in this morning's edition which clearly demonstrates the lengths it will go to distort news stories to make them suit their left-wing purposes.

A two-column news story carries the headline: "Episcopal Bishops Ask Halt in Bombing."

One would naturally assume from this headline that the Episcopal Bishops meeting in their General Convention had voted to ask a halt in the bombings of Vietnam. The true story is that quite the opposite is true; they soundly defeated a resolution asking a halt in the bombing.

This deliberately deceptive headline refers, not to the action taken by the House of Deputies which roundly defeated the resolution, but to the action of 21 mavericks who got together after they were defeated by the Deputies and passed their own rump resolution.

Anyone who reads the story gets the true picture, but more people will read the headline than will ever wade through the story to get to the truth.

This cheap trickery is inexcusable and is a disgrace to what was once a noble profession. If the Post had any sense of honor they would apologize to the Episcopal General Convention in particular and to all Episcopalians in general.

To set the record straight, here is the complete story as printed in the Post:

EPISCOPAL BISHOPS ASK HALT IN BOMBING

(By Jo-ann Price)

SEATTLE, WASH., September 27.—Twenty-one bishops of the Episcopal Church, expressing concern over the "growing terror" of the war in Vietnam, petitioned here today for a cessation of bombing in North Vietnam and de-escalation to end the conflict "as quickly as possible."

Signers of the statement included Suffragan Bishop Paul Moore Jr. of Washington and the controversial Bishop James A. Pike, resigned Bishop of California.

Their petition was signed as both houses of the Episcopal General Convention extended their sessions three hours past a scheduled noon-day closing to dispose of still pending business.

The document represented their individual views, they said, and contains essentially the same points as a measure which was thrown out after long debate last night in the House of Deputies.

The rejected substitute resolution on de-escalation had lost heavily in the laymen's order of the dupties and was more narrowly defeated in the clerical order. Approval of both orders is needed for passage in the House of Deputies under the Convention's peculiar voting system.

After 90 minutes of vigorous debate the deputies finally adopted a seven-point resolution shortly before midnight yesterday, primarily aimed at negotiations for peace in Vietnam. This less strongly worded document was approved by the House of Bishops today.

The milder measure urged "continuation of sustained efforts" to take the Vietnam war to the United Nations. It supported U.S. efforts to attain a "just and durable peace."

It also expressed "deep concern" for draftage youths who believe the Vietnam war "to be wrong and our participation in it to be unjustified."

AFRICA: AN UP-TO-DATE APPRAISAL

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] 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 Jersey?

There was no objection.

Mr. RARICK. Mr. Speaker, the U.S. State Department must reassess its policies to correct the blackhearted role it has cast our Nation into in Africa.

Silence veils the wants of many black Americans who desire to return to Africa, their homeland. Possibly they are needed to become the victims of more riots, looting, and bloodshed in our cities and are forbidden to leave our shores.

Yet in Africa, where the white has been their benefactor and lived among them, our apparent policy has been to run the white out and encourage cannibalism and chaos.

Seemingly the American equalitarian—in his blindness to see or understand life—betrays by destroying those he screams that he most seeks to help.

In Rhodesia and South Africa no white keeps the black man a prisoner—yet the blacks do not leave. To the contrary, they continue to seek admittance to the white-ruled countries. Rhodesia and South Africa have had no riots or wholesale disobedience—no Watts, Rochester, Trenton, or Detroit. Law and order prevail.

Instead of our national policy being to destroy Rhodesia and South Africa, we should import their advisers to learn how to live with our blacks and maintain law and order.

Mr. Speaker, I am in possession of a report on pertinent sections of Africa compiled by Raeford Scott, a former career employee in Federal service, which I feel will prove of material benefit to our colleagues as we seek answers and comparisons of our white brethren around the world.

Mr. Scott has had extensive observation—over many years—in what we call the "emerging nations". Early in his career he was an outstanding newspaper reporter and journalist. Cautious in judgments and comments, he speaks here as a gravely concerned patriotic American.

Mr. Scott reminds us that many of the newspapers and magazines that now seek to build hostility toward South Africa and Rhodesia are the same ones, such as the New York Times, which worked for the overthrow of Batista, who was friendly to America, to supplant him with Fidel Castro. Many of these same sheets worked in the same manner back in the 1940's to displace America's ally, Chiang Kai-shek, and install in his stead the hideous tyranny of Mao Tse-tung.

Their present attempted guidance of America's policies in Africa must be evaluated in the light of that proved past record.

I join with Mr. Scott in his feelings toward some of our shortsighted policymakers who would seek to destroy peace and law and order where it does exist. I ask that Mr. Scott's excellent report of his eyewitness account here follow my remarks. I have inserted the various paragraph topic titles in his letter.

CONDITIONS IN SOUTHERN AND CENTRAL AFRICA NOW

Mr. Rarick, having spent most of my time through recent months in Central and Southern Africa, I am appalled on my return at the dangerous ignorance of many of my fellow-Americans regarding that part of the world.

Countless Americans and even some Members of Congress appear to accept the notion that the native populations of blacks in the so-called "emerging" nations of Africa are free to enjoy what we normally consider to be human rights, while blacks in countries of predominantly white rule supposedly suffer under chronic injustice and economic exploitation.

But from which side of the boundary, between white-ruled and black-ruled areas, are the native blacks seeking to go to the other side?

On-the-scene realities supply the unarguable answer. Both white-ruled Rhodesia and white-ruled South Africa have an immense influx of blacks from neighboring black-ruled areas. In Rhodesia alone it is estimated that the total may run as high as 400,000 blacks from adjoining territories. Most of these 400,000 blacks from outside are wage-earners seeking the greater opportunities possible where there is stability, law and order, and progressive economic development.

There is no corresponding outflow of blacks from Rhodesia into bordering countries under black rule. And in South Africa, which is likewise under white rule, we see the same situation—blacks from neighboring black-ruled areas pouring by their own choice into a white-ruled country which some elements here in America like to represent as a land of terror and oppression.

By official count, blacks who have legally entered South Africa total near half million, while the number who have slipped in illicitly by evading border patrols are estimated at several hundred thousand more.

BETTER LIVING CONDITIONS

In contrast, we find but a mere handful of blacks who have chosen to leave Rhodesia or South Africa to live in a neighboring black-ruled country. This handful appears to consist mainly of blacks who think of themselves as "intellectuals" in opposition to white rule ideologically, regardless of its favorable showing alongside any black-ruled country with which it may be compared, and regardless of the openly evident preference of more than a million immigrant blacks who are right now living in Rhodesia and South Africa because of the higher wages and better living conditions for them generally where white rule prevails.

In South Africa, tho not in Rhodesia, there is a legally defined separation of the races. Government policy in South Africa aims at doing for the native blacks what farsighted and conscientiously leaders sought to do and failed to do for the native American Indians in our own country—provide them with areas where in a large measure they can follow their chosen way of life and seek their own course of development, with white aid as needed.

Some of the blacks in South Africa resent this planned separation, and stirred by professional agitators from the United States, the Soviet Union and England, a few of these rebellious blacks have managed to create minor instances of trouble.

But these disorders in South Africa arising from official policy there have never approached the magnitude of riots, looting,

mass incendiarism and wholesale bloodshed encouraged by official policy here in America. Our open record shows that this is so, that these violent outbreaks by blacks in America are worst where so-called civil rights have been most generously extended, and in fact worst of all in Northern cities of the U.S. where there was never any official policy of segregation in schools, where there have been no "white" and "black" labels separating rest rooms or other public facilities.

For decades so-called Liberals in these same Northern cities found delight in perpetually lecturing the people of our Southern States on how to handle race relations. Today, when hordes of largely ignorant black people have been attracted to these Northern cities by easy relief allowances and other lures, what are the conditions? We all know the present conditions, where black skin sets up for trouble-makers an immunity in commission of crimes for which any ordinary white person would be chargeable with arson, assault, conspiracy for murder and rebellion against established authority.

So grave has this situation become that recruits for police service in every major Northern city have become dangerously difficult to procure, because honest and competent men who seek to do their duty fairly face all sorts of trouble if they deal with blacks as they would deal with similar offenders who might be white. In consequence lawlessness mounts night by night, and decent citizens both white and black dare not walk the streets which they pay taxes to render safe.

We in the Southern States have never known racial friction to such an extent, and where we have suffered it in any degree in recent years, the cause could be traced to invading agitators—who instead of addressing themselves to their own strife-torn communities—have sought to spread their chaos to our areas of relative peace.

SMEAR CAMPAIGN UNDERWAY

Mr. Rarick, it is shocking and horrible to the peaceful people of Rhodesia and South Africa, who have never offended our country in any way, to find themselves the targets of a campaign of villification, abuse and falsification in the press of our country, purporting to lecture and threaten Rhodesia and South Africa in matters of racial relations.

This campaign is the more amazing because it is the press in American cities showing the least success in race relations, and politicians from the areas which likewise present the worst examples of tragically bad race relations, that lead in this senseless hate campaign against two courageous outposts of non-red and pro-law-and-order civilization.

Possibly no country in the world has a more creditable state of law and order than Rhodesia today. Again and again I noticed that persons parking their cars at the curb in Rhodesian city streets did not bother to lock the car doors. Women and girls as well as men walk city streets both night and day without hesitation or thought of molestation. Rarely indeed do you see a policeman there, and when you do, you note with amazement, as an American, that he carries no weapons. His badge and uniform suffice, so ingrained among both whites and blacks is respect for law.

South Africa's policy of separation will require some years to realize its program of full development for allotted black-populated areas, and meanwhile, blacks need jobs they can get only in white enterprises and whites need the added labor supply. While the more literate blacks do not concede that the system is ideal, they seem, most of them, to prefer it to the certainty of chaos and despotism, Congo style, which is what the UN and certain so called Liberals here in Washington manifestly seek for South Africa and Rhodesia.

ALMOST FOURTH BLACK

But in Rhodesia there is no legal separation of races. Voting requirements are the same for blacks and whites alike. But so many of the blacks still live tribally, and but recently emerged from savagery, that only a minority can meet franchise tests. Attending a session of the Rhodesian parliament, I saw whites and blacks together participating in legislative discussion, all amiably, with nothing like the acrimony to be seen often in Washington relative to matters that touch racial sentiments.

You find no signs over doors saying White or Black in Rhodesia, nor on park benches, nor on railway coaches or public conveyances of any sort. Occasionally you see a black couple enter the lounge or dining room of a leading hotel. Nobody raises an objection. Blacks who are employed in the cities get handsome housing aids from the Government, managed carefully to make every dollar count. Areas of homes for married blacks are fully modern, very neatly kept, and in the communities that I selected at random to visit, seeking to see things for myself, these homes were well ahead of the average for blacks in America.

Nearly a fourth of the present members of Rhodesia's elected legislative body are Blacks—a higher proportion than in our American Congress.

In Salisbury, capital of Rhodesia, an English-speaking black took me with pride to see the handsome modern dormitories for blacks where unmarried young men and young women are separately housed. They live there if they are employed, or while they train for skilled jobs, under spic and span conditions, with community swimming pool, recreation fields, recreation halls, and so on. When a native couple marry, they are assisted by the authorities in setting up their own individual home. But native young men and women are discouraged from coming to the city until employment is assured.

Rhodesian officials are resolved not to make the mistake made here in America—allowing masses of unemployed people to accumulate and perpetuate ghetto conditions in which they become ripe for agitation and the manipulations of political schemers. If a man is going to be unemployed, the Rhodesian plan is that he had better be so on his own tribal land or at least in a rural environment, away from festering slums. And consequently, you will go a long way in Rhodesia to find anything you could call slums. I myself could find none at all.

LEFTISTS CRY "DESPOTISM"

That sort of regulation by Rhodesian officials is cited as despotism by America's enraged liberal agitators. Yet the overall result is kindness to the native blacks there. It saves them from the dope peddlers, the gamblers, the innumerable leeches and predators of one sort or another that prey on the often simple-minded and inexperienced blacks of our own country who are lured by easy public relief or other kinds of bait to migrate to areas of Northern cities that are already overcrowded with unemployed blacks.

As the late great Albert Sweitzer said of the black man, to whose help he devoted so much of his life,—"Certainly I am his Brother. But I am his Elder Brother. And if I am to help him, I must retain the authority needful to do so."

Contrasting with Rhodesia and South Africa, the outlook in neighboring black-ruled lands is less bright. With tremendous U.S. aid, they are making progress in some fields of education. But with no U.S. aid at all, Rhodesia and South Africa are doing far more for their blacks in education, hospitalization, rural guidance, home hygiene, job training, and kindred basics for aiding an orderly transition from recent savagery to modern civilization.

Of the black-ruled countries—Kenya—ruled by the former Mau Mau chief, Jomo Kenyatta, surprisingly appears to be one of the more stable as of now. But this stability is felt to rest on one man, now well along in years—Kenyatta himself.

His relatively good showing seems to come from his good sense in not running out the whites wholesale. They are staying on there in many managerial posts. They manage many of the hotels, and this is in bright contrast to conditions in some of the other black countries, such as Uganda, where few whites are in evidence.

There many of the businesses that were run efficiently in British Empire days are now drifting backward. You see unmended holes in the screens of your hotel window, you pay higher prices than in America for a restaurant meal where the going wage for natives is maybe a quarter a day in U.S. currency, and where service, while friendly and eager, falls pitifully short for lack of training and experience.

TOMMY GUNS AND RUBBER STAMPS

An unfortunate feature of the newly "emerged" black-ruled countries of Africa is the apparent eagerness to look official. Too many of the official class seem to view a tommy gun or a rubber stamp as a realization of status. Tho you insist you are in transit and are in some country for a few minutes only while the plane refuels, you may be asked to fill out a lengthy printed form designed as a questionnaire for permanent residents.

Or your plane may be detained half hour additional when a covey of blacks in uniform, carrying tommy guns on their arms, decide they ought to see everybody's passport. And at these they gape with no signs of understanding whatsoever, nor any indication of being able to read them at all. But the procedure looks official—it is the way Big Countries supposedly do things.

To the lasting disgrace of the Washington Government, it condoned the pressures by which orderly rule was extinguished in one after another African country and supplanted by semi-savage tyrannies which were a hundred-fold more severe toward native blacks than colonial powers have ever been within modern times.

The UN did not set up requirements that white owners of coffee plantations, tea plantations and other developments of value to the native populations as sources of employment would be compensated, where the new black regimes might order confiscation. American Foreign Aid has gone out—and continues to go out—to black regimes which have violated every tenet of fair dealing. Where these native regimes, as in Kenya, have confiscated land and other property of whites, they have condemned it at their own predatory figures, and on top of that, these native regimes commonly allow the victim to take out of the country only a pittance of the funds received.

In Kenya I saw extensive areas where former flourishing plantations had been divided into small parcels for distribution to native blacks. Over half of these small parcels, I might estimate, appeared to be well cultivated. Maybe a third or more appeared to be indifferently tended, and reverting to jungle.

FEAR BENEATH SURFACE

In all these so-called newly emerged black countries, if you get to know some of the English-speaking native blacks well enough, you learn of the anxieties and fears that run beneath the surface.

Thousands were slain only last year in Uganda. In Kenya, normal at the moment, people appear to dread what may happen as factional rivalries might develop after Kenyatta passes. The current civil war in Nigeria seems to have its potential just about everywhere in black-ruled Africa. Only in

the white-ruled lands of Rhodesia and South Africa can a black man plan his future with reasonable confidence, be assured of fair civil service tenure in a state job regardless of factional changes in administration, and draw the highest wages in all Africa for native labor. Those realities explain why over a million blacks have migrated from neighboring black-ruled areas to white-ruled Rhodesia and South Africa.

Why do U.S. Liberals hate these areas of relative serenity in a continent of turmoil? Why do they seek so eagerly to bring down in ruins two governments—those of Rhodesia and of South Africa—which have never harmed America, and which stand as bulwarks against bolshevism in a continent elsewhere heavily infested with it?

Why do these self-professing Liberals so smugly ignore the barbarous dictatorships by assassination and terror in many or most of the black-ruled African states and at the same time condemn as "an assault on native rights" Rhodesia's requirement that voting qualifications must be the same for whites and blacks alike?

Why do these Liberals hate two governments which protect all private property, of whites and blacks alike, while holding up as examples for further imitation black regimes which daily confiscate honestly acquired farms owned and developed out of wilderness beginnings by white settlers in years past?

REVERTING TO CANNIBALISM

Mr. Rarick, I was not in the Congo on this trip. But along the Congo border in Uganda I talked with both white and black refugees from the Congo. Apparently the frontier over much of that area is a sort of no-man's land, and some of the whites who speak the local Congo languages venture back now and then to the scenes of their former plantations, now deserted and in ruins. They report that generally the native blacks there—in the Eastern Congo, that is—are not at all anti-white, that instead they crowd to the road at news that a white person has been sighted, and cry out piteously to the whites to return, promising them no harm, begging for jobs that would mean food.

Reports of cannibalism indicate that in localities of severe destitution it has returned as a common practice where the more aggressive tribes prey on the more docile, and in these areas cannibalism seems to be increasing.

Wide areas of the Congo remain more or less closed to the outside world, with no truly dependable figures or even estimates of conditions available.

But both white and black refugees give extremely grim accounts of widespread terror and misery among a population which—ten years ago—was in a high degree contented, employed, and marking up year-by-year enormous gains in education, living standards, and general well-being.

From this agony in the Congo, most of the whites, tho by no means all, fortunately escaped. Not so the native blacks, many thousands of whom have perished in the continuing factional strife or fallen victims to marauding tribesmen who have reverted to savagery and cannibalism, while survivors live in terror over vast regions, with no hope of any early betterment.

It is this Congo situation which America's so-called Liberals invite for Rhodesia and South Africa, where as in the Congo, Nigeria, Ghana and various other black-ruled lands, the blacks themselves would comprise the majority of victims.

Mr. Speaker, I would like to commend Mr. Scott on his pertinent analysis of this vital area of today's world.

I would especially urge my colleagues to weigh most carefully what Mr. Scott has called to our attention.

BRYAN COUNCIL BROWN

Mr. HENDERSON. 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 North Carolina?

There was no objection.

Mr. HENDERSON. Mr. Speaker, a man well known to many on Capitol Hill and in Washington circles passed away on September 10. He was Bryan Council Brown, known to his many friends here as "B.C."

B.C. had a distinguished governmental career serving as the first employee of the joint Congressional Committee on Internal Revenue Taxation and continuing as secretary and staff counsel of that committee for a total of 31 years under both Democratic and Republican administrations until his retirement in 1957.

From 1957 until 1963, he served as counsel at the Washington office of American Mutual Insurance Alliance until his final retirement to his summer home in Beaufort, N.C.

A native of Swansboro, in my congressional district, B.C. received his bachelor's degree from the University of North Carolina at Chapel Hill in 1922 after serving as an ensign in the U.S. Navy during World War I. He attended the law school there and at Harvard and was graduated from the National University Law School in Washington.

He served for a time as personal secretary to the late Edward Kidder Graham, former president of the University of North Carolina.

B.C. was an avid golfer and played in a number of tournaments in the Washington area during his years spent here. He is remembered as a keen competitor and winner of many trophies.

It was my pleasure to know him for many years and I join his many friends in expressing sympathy to his wife and family.

USE OF MAILS FOR FRAUDULENT PURPOSES

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, today I am pleased to join in sponsorship of a bill to put a halt to the use of the mails for certain fraudulent purposes.

The bill would cover a wide range of practices but would, in particular, greatly assist the Post Office Department and postal patrons across the Nation in the fight against using the mails for the purpose of soliciting or advertising obscene material.

In the time I have been privileged to serve in the Congress numerous complaints have been directed to my office objecting to receiving such advertising through the mails unsolicited.

The Post Office Department, at this time, is virtually powerless to halt this practice.

As a result of a recent complaint, I received the following reply from the Post Office Department outlining the legal problems they face and suggesting that this bill, passed by the House in the 89th Congress, would be of great assistance to them in putting an end to this practice.

Mr. Speaker, I include the letter from the Post Office Department in the RECORD at this point:

THE GENERAL COUNCIL,
POST OFFICE DEPARTMENT,
Washington, D.C., September 22, 1967.

Hon. RICHARD FULTON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in further reply to your letter of September 2, 1967, to Mr. Walter Harris, Deputy Executive Assistant to the Postmaster General. You enclosed an envelope sent to ————, containing unsolicited advertising material for sex devices by Safe-P-Products, Los Angeles, California.

We are aware of the subject mailing, and we share your concern and that of your constituent in this matter. Nevertheless, as you are fully aware, the Department may not arbitrarily refuse to accept matter which may be considered offensive. We cannot apply our own administrative criteria, but rather we must study these matters in accordance with the applicable federal court decisions. *Roth* v. *U.S.*, 354 U.S. 476; *Manual Enterprises* v. *Day*, 370 U.S. 478.

We have pursued this type of mailing under the criminal postal fraud statute, 18 U.S.C. 1341, in view of the advertising claims. The Justice Department, however, felt the promoter's claims did not constitute fraud within the meaning of the law.

A few years ago, we had the Justice Department institute a criminal action against one Louis Wolff Linetsky, doing business as Medico Sales, involving essentially the same promotional matter and sex devices as in the instant case. Linetsky was indicted, but thereafter the United States District Court granted the defendant's motion to dismiss the indictment on the ground that the exhibits involved were not obscene under the postal obscenity law, 18 U.S.C. 1461. We then commenced a formal proceeding against Linetsky under the administrative civil postal fraud statute, 39 U.S.C. 4005. The Hearing Examiner's initial decision found that Linetsky was not violating Sec. 4005. We appealed to the Department's Judicial Officer, who sustained the Hearing Examiner. Our difficulty was carrying the burden of proof of intent to deceive by Linetsky.

Since the Supreme Court decision in *Reilly* v. *Pinkus*, 338 U.S. 269 (1949), we not only must prove the mail promoter is falsely or fraudulently advertising his matter by mail, we must also carry the burden of establishing the fact that the promoter intended to deceive mail patrons. As you know, the operation of a man's mind is a most difficult thing to prove. In our instance, this task is even more formidable since we do not have subpoena power to produce certain pertinent evidence bearing on the element of intent.

Moreover, the promoter-respondent in our fraud hearings seldom takes the stand to testify, and we are thus deprived of the opportunity to cross-examine him. Time and time again, we are faced with situations where utter falsity is established by the evidence and there is no question but that the remitter has been deprived of his money on the basis of misleading and deceiving representations, and yet Orders under the statute were denied because the Hearing Examiners were of the belief that the evi-

dence presented was insufficient to establish intent.

Congressman Udall introduced a bill, H.R. 1411, which would amend the civil fraud statute, Sec. 4005, to eliminate the necessity for establishing the intent to deceive. The same measure passed the House in the 89th Congress, but was not taken up by the Senate Post Office and Civil Service Committee. We feel Congressman Udall's bill is squarely in line with the underlying purpose of Sec. 4005, which is to protect postal patrons from being duped by mail.

In the meantime, you may wish to advise your constituents that under Sec. 154.11, Postal Manual, they may refuse a piece of mail at the time it is offered for delivery. After delivery, they may mark any ordinary mail matter "Refused" and return it unopened to the mails.

Sincerely yours,

TIMOTHY J. MAY.

Mr. Speaker, I would add only that I have seen a quantity of this material and can describe it only as blatantly disgusting. It is not the type of material you or I would want in our homes or the type of material which we would want to fall into the hands of our children.

This advertising is pure filth and, if this bill will help put an end to the use of the mails to promote and advertise it, then it should be given early and favorable consideration by the Congress.

AGRICULTURAL SCIENCE WEEK—1967

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. O'NEAL] 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 Jersey?

There was no objection.

Mr. O'NEAL of Georgia. Mr. Speaker, Agricultural Science Week—1967 was appropriately recognized today at the Beltsville, Md., Agricultural Research Center.

Secretary of Agriculture Orville Freeman cut a ribbon this morning to open the research facility to public inspection and laid a cornerstone to start construction of a 15-story library.

I was honored to be present and participate in the ceremonies along with my colleagues Hon. PAUL JONES of Missouri, Hon. HERVEY MACHEN of Maryland, and Hon. SANTIAGO POLANCO-ABREU, Resident Commissioner from Puerto Rico.

Those of us who attended the ceremonies were impressed by the tremendous progress being made in the field of agricultural research. The Beltsville Center is making outstanding contributions toward feeding and clothing our people with the very best at the lowest possible cost and sharing this knowledge with the world.

Secretary Freeman was introduced by Dr. George W. Irving, Administrator, Agricultural Research Service. I take pleasure in making Dr. Irving's introduction and Secretary Freeman's remarks a part of the RECORD. They constitute a wonderful summation of past achievements and promise of a wonderful world to come if we can just avoid world destruction.

INTRODUCTION OF SECRETARY ORVILLE L. FREEMAN, BY GEORGE W. IRVING, ADMINISTRATOR, AGRICULTURAL RESEARCH SERVICE

Our speaker today was the youngest man ever named to his present post when he was appointed in 1961.

He was a Marine officer in active combat during World War II, presently a Colonel in the U.S. Marine Corps Reserve, a distinguished lawyer, and three times governor of the State of Minnesota. During the last six years he has fought vigorously for new ideas, new legislation, and new programs to support a stronger and more progressive agriculture.

He demonstrated his remarkable versatility at an early age. While working his way through the University of Minnesota, he won his letter as a quarterback on the national championship football team and election to Phi Beta Kappa at the same time.

He is still demonstrating that versatility. Today he is speaking to us as leader of a research organization. While talking to the National Science Teachers Association last March, he said: "Agricultural research is of crucial importance in man's efforts to create a balanced and diverse environment . . . in improving human health . . . and in examining the life process itself."

When you consider the installation here at Beltsville; the many field stations throughout the country; the cooperative research with State Agricultural Experiment Stations, with industry, with private foundations, and with foreign countries—the United States Department of Agriculture *is* one of the largest research institutions in the world.

And now, as head of that institution, Secretary of Agriculture Orville L. Freeman.

REMARKS OF HON. ORVILLE FREEMAN, SECRETARY OF AGRICULTURE

Whether I am speaking as quarterback of this team, or Colonel of the Battalion, I am very proud of my position as head of this research organization with its long and productive history.

And I am happy to join in welcoming these distinguished guests and friends to our Open House at the Agricultural Research Center.

We had three reasons for asking you to join us today in this celebration of National Agricultural Science Week.

First, we wanted you to look with us at what agricultural science is doing for mankind now—and to see how these efforts will help us to support a better world by the year 2000—and beyond.

Second, we wanted to give you a graphic demonstration of our intention to improve and increase the flow of information from the U.S. Department of Agriculture to the public. These exhibits and demonstrations today are examples of our open door policy in action. We plan to implement this policy with a permanent visitors' center so that visitors can come year round and see for themselves what agricultural science is doing to serve them.

Finally, we wanted you to join us in laying the cornerstone for a great new library that will give added support to the progress of agricultural research.

As we pursue these three objectives during the day, you will see examples of the agricultural research and science that have helped to lay the foundation for the economic and social structure of this nation.

Agriculture provides the very fundamentals of human existence—food, shelter, and clothing. Until these fundamentals are provided, no man is free to contribute his efforts to anything else. Without a strong and productive agriculture, the goods and services . . . the culture . . . the way of life that we know . . . could not have evolved.

Agricultural research in this country has more than paid for itself. It would be impossible to calculate the ratio of costs to benefits of the agricultural research that has already made its contribution to men, women, and children everywhere.

Let me explain briefly how this has worked.

Here in the Department of Agriculture, we feel that the job of research is not done until the findings are made known and applied. I am proud of the unique Federal-State partnership in agricultural research and education that is finding solutions to the problems standing in the way of national progress . . . and is letting people know what those solutions are.

Agricultural scientists today are probing the basic cell structure of living matter and the fundamental life processes of plants, insects, animals, and man. They are broadening our understanding of our environment so we can modify it for the welfare of mankind.

But we are not leaving this basic knowledge to gather dust in our laboratories. For more than a century, we have carried the results of our research into the field and seen them put into practice. Our scientists and educators have the time and the patience to show farmers, food processors, manufacturers, and homemakers what they have learned.

As a result, agriculture, our biggest industry, has an enviable record for improving production efficiency. A century ago, 7 million farm workers were needed to feed 31 million Americans. Today, roughly 6 million farm workers feed 200 million Americans, plus 160 million beyond our shores.

Without this explosive increase in productivity, it would have been impossible for the United States to have fed a shattered Europe after World War II, or to have sponsored Food for Peace and Food for Freedom. And without these programs, it is certain that millions now living would have died from starvation.

These are direct benefits of a progressive agriculture. But the indirect benefits were also vitally important to the economic development of our country.

The productivity revolution both released agricultural workers for the industrial revolution and lowered the relative cost of food. As a result, more purchasing power was available for the consumption of industrial goods, starting the United States on an economic climb that is still going on.

Our experience during the past century underlines a basic truth. We in America have demonstrated that *science holds the key to increased agricultural productivity, the solid base upon which all subsequent economic development rests.*

In fact, history clearly shows that *no nation* has moved from chronic stagnation to sustained economic development until it first achieved a subsequent gain in *agricultural productivity.*

That is why it is so important *now* that we continue to export our agricultural know-how to the less-developed countries. Their success depends upon their agricultural growth and development.

We are sending our scientists and technicians abroad to share the results of our basic and applied agricultural research. Working with the people in the developing countries, we are *adapting* this knowledge to the specific problems and needs of those who are trying to feed themselves from their own land.

We are also inviting increasing numbers of foreign technicians to train here under our leading scientists. For example, at the U.S. Salinity Laboratory in Riverside, California, more than 1,600 foreign nationals have learned how to diagnose and correct salt damage to soils, that holds down crop yields in many parts of the world. And more than 50 foreign scientists and scholars from some 30 countries have trained under our crops scientists in the past three years.

So far, I have mentioned agricultural research as it supports the productivity of the land. But in the more than 100 years of service to people, USDA scientists have contributed to many other aspects of living.

Our scientists traced the cause of Texas cattle fever to the fever tick, not only paving the way for eradication of a devastating disease but paving the way for the control of such human diseases as malaria, yellow fever, typhus, encephalitis, and bubonic plague.

Our researchers developed a practical process for commercial manufacture of penicillin during World War II and discovered the high-yielding strain of penicillin-producing micro-organism that is in use today.

Other USDA scientists showed that dextran, a starchlike carbohydrate, is an excellent blood volume expander that is used to extend the supply of whole blood for transfusions . . . a particularly vital discovery in times of national emergency.

Agricultural research has expanded industries and created new ones with developments such as frozen orange juice concentrate . . . dehydrated potato flakes and granules . . . wash-wear cottons . . . stretch cottons . . . and washable woolens that do not shrink.

And so, when we look at what has been accomplished, we can give agricultural science an A Plus. Certainly agricultural science among all the sciences best deserves the title of "Humanitarian Science." Its goals are inseparable from the deepest goals of all mankind; of all the sciences, it is the one most responsible for the preservation and enhancement of human life upon this planet.

But the press of world events is not going to give us time to pat ourselves on the back for a job well done. The task of agricultural research is just beginning.

In productivity alone, research must continue to find new and better ways to produce the food and fiber for a growing population in the future. But our goal is not just filling basic requirements. We must improve the standards of living for all our people.

We also will need an increasingly efficient agriculture to take advantage of our expanding export markets. Last year, for example, feed grains became our largest single dollar earner of any export, agricultural or industrial. Now that our surpluses have disappeared, farmers will have to become increasingly efficient to meet competitive market demands at home and abroad.

We look to agricultural science to give us better methods for managing natural resources. We are not *now* doing a good enough job of protecting our soil, water, and forests. And the calls upon thee resources will become even greater in the future.

Agricultural research must find better ways for us to use more water and still keep it free from pollution—to enjoy our forests and shade trees and still maintain an effective timber industry—to grow more from our soil and still maintain its fertility.

Agricultural research must find ways to revitalize rural America and improve the quality of American life. We need to find out how to maintain a better rural-urban balance.

We need research studies to shed more light on the migration of rural people to the cities. We know the rates of migration. We know who is migrating—what age groups. But we don't know the educational level of these people or why they left or where they are going when they leave rural communities and small towns.

In this field of rural-urban balance—in this field of human resources and the need for rural opportunities—we are today about where we were 40 years ago in knowing what was needed in breeding seed corn.

We have not even scratched the surface on this type of research and the human need for knowledge is vital.

We do know that people will go where the opportunities seem most attractive. If that is in Los Angeles or Chicago, that is where they will go. We must find ways to provide more opportunities in rural communities . . . to make them truly more attractive.

For the less developed world, agricultural science must find better means to wage war on hunger. We must find a way to prevent the starvation that is now taking its toll in thousands of lives around the world. We must find a way to alleviate the malnutrition that restricts the capabilities of millions who succeed in averting actual starvation.

The latest World Food Situation Report, "Prospects for World Grain Production, Consumption, and Trade," made certain points evident.

The report estimates that the less-developed countries by 1980 will require between 54 and 58 million metric tons of grain imports, in contrast with about 29 million tons in the mid-sixties. This estimate assumes the continuation of the *historical* rate of increase in grain production—an increase which in recent years has been a respectable 2½ percent annually.

Only if the less-developed countries could somehow attain a 4-percent increase in grain output annually could they achieve a high enough rate of economic growth to provide their people with adequate diets without food aid. Our economists view any such radical rise as extremely unlikely. Few undeveloped countries have increased productivity so rapidly.

So food aid will continue to be needed . . . to buy time for hungry nations to strengthen their ability to feed themselves.

But we must redouble our efforts to help them to help themselves. One of our current research projects may prove useful in these efforts . . . one which you will see illustrated in our exhibits today.

And that is a joint project with the National Aeronautics and Space Administration to combine the techniques of the computer and space age to work for agriculture. We are attempting to perfect the use of remote-sensing methods to detect differences in soil, identify crops and forest trees, and to determine crop condition.

When these methods are in use from an orbiting satellite, we will be able to better help developing countries make efficient use of their land . . . or even to use land in areas not yet considered for agricultural production.

Part of the research and much of the planning and direction of research to meet these challenges will be done here at the Agricultural Research Center. We are supporting this effort by the transfer next year of the world's second-largest government library—and the largest devoted to agriculture and related sciences—to this nerve center of Department research.

The National Agricultural Library will occupy a new building, on your left almost directly across the main highway from where we are now. I am sure you saw it when you entered the grounds this morning. The architect's model here beside me shows how the 15-story structure will look when it is completed in October 1968.

At 11:30 this morning, I will lay the cornerstone for this new library, which will replace our outgrown and outdated quarters in downtown Washington. We will transfer a collection that has grown from the 1,000 volumes inherited from the Patent Office in 1862 to more than a million and a quarter volumes today. The new building is designed to accommodate a collection more than half again as large.

The National Agricultural Library shares with the Library of Congress and the National Library of Medicine the responsibility for coverage of the world's scientific literature. It is not unusual for our Library to receive publications in as many as 50 languages from 150 countries in a year. Exchange with institutions throughout the world is the source of three-fourths of the books and periodicals being added to our collection today.

We not only add some 275,000 periodical issues each year by exchange, purchase, and gift, but our staff also handles almost that many requests for loan or photocopy of works on our shelves. The National Agricultural Library serves the entire scientific community—colleges and universities, research institutions, agricultural industry, and other Government agencies—as well as our own employees.

In modern quarters, the Library will be able to serve all of these users more quickly and efficiently in an age when agricultural knowledge is in such urgent demand in solving problems at home and abroad.

We plan to extend to scientists more special services similar to those provided by our Pesticides Information Center. And the new building is designed for future installation of a computerized system of information storage and retrieval that will mesh with similar systems being developed with the Library of Congress and National Library of Medicine.

The broadening of services by the Library is part of a general mobilization of the Department's scientific resources to build the kind of agriculture our country will need during the remainder of this century.

The Department and the State Agricultural Experiment Stations have joined to develop this last year a comprehensive plan to guide the direction our research should take. This long-range study of agricultural research needs provides answers to three basic questions:

What knowledge do we need to get from where we are to where we want to be in the year 2000?

How much of this knowledge is likely to be produced by our current research programs?

And how should we change what we have been doing—where should we put more emphasis, where less—to fill the gaps in needed knowledge?

We then used the long-range study as a basis for setting research objectives to be reached in the next year, within 5 years, and by the year 2000. Our scientific objectives, of course, are based on the knowledge required in achieving the long-term goals of the Department as a whole.

These goals are expressed in terms of a common theme, Agriculture/2000, that looks to the future in our major areas of responsibility:

Communities of Tomorrow—an environment for better living and a revitalized rural America.

Resources in Action—wise care and use of water, land, and timber.

Growing Nations—New Markets—trade and aid, with emphasis on victory over hunger.

Income and Abundance—parity of farm income, continued food abundance, and a rising level of nutrition for consumers.

Knowledge for Living—information and services that will improve the quality of American life.

Science in the Service of Man—the miracles we can expect from agricultural research.

Together, these goals express a commitment by the Department to use its wide and varied resources in making America a more productive and satisfying place to live during the rest of this century.

The theme of our open house, Agriculture/2000: Science in the Service of Man, spotlights the role of research in carrying out this commitment. The exhibits you will see today are designed to give you some idea of the revolutionary developments that may be expected in the future.

And I hope this will be the first of many visits. I hope you will visit the Agricultural Research Center again, and that you will bring your associates and friends. In the past, we sometimes have not been able to accommodate all of the groups that wished to visit

our laboratories. But when we establish our visitor center here, we will be able to give more people a more informative picture of what we are doing here.

I am proud of what our scientists are accomplishing, and I know that you will be, too.

It is now my pleasant task to open this exhibition for your inspection.

RULINGS BY FEDERAL RESERVE BOARD AND COMPTROLLER OF THE CURRENCY HELD ILLEGAL BY U.S. DISTRICT COURT—CONGRESSIONAL INTENT THAT COMMERCIAL BANKS BE KEPT OUT OF SECURITIES AND INVESTMENT BUSINESS RESPECTED BY JUDGE McGARRAGHY IN FIRST NATIONAL CITY BANK DECISION YESTERDAY, SEPTEMBER 27, 1967

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] 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 Jersey?

There was no objection.

Mr. PATMAN. Mr. Speaker, since late 1965 I have been engaged in a continuing controversy with the Federal Reserve Board, the Comptroller of the Currency and the Securities and Exchange Commission, protesting the legality of a move by First National City Bank, New York, into the mutual fund business.

These Government agencies turned their backs on more than 30 years of congressional intent that commercial banking and investment banking be kept separate, lest the grave abuses and conflicts of interest so common in the 1920's repeat themselves.

On the flimsiest of excuses, all three agencies gave the green light to the major banking interests by a gross misinterpretation of the laws.

I do not know how many letters I wrote to the Federal Reserve Board protesting this undermining of Congress constitutional prerogatives to legislate. I requested the Board to reverse its erroneous rulings on at least two occasions.

Fortunately the judiciary, in contrast to these banker-influenced administrative agencies, saw no compulsion to flout the clear wishes of Congress when, yesterday morning, Judge McGarraghy fully agreed with me that the Federal Reserve Board and the Comptroller of the Currency had exceeded their lawful authority, finding the First National City Bank "comingled investment account" entirely illegal. This is wonderfully good news for the integrity of our system of a Government of law and not of men.

PEOPLE DO NOT HAVE PROPER PROTECTION PROVIDED BY BANK SUPERVISORY AGENCIES

The American people should be aware of the fact that they are not protected by the three bank supervisory agencies, namely, the Federal Reserve System, Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Each of these agencies, which have been charged with protecting the public interest, have gotten completely away from exercising and discharging their duties as a result of the more than 100 years of lobbying activity of the American Bankers Association. These agencies each carry on and run their own empires and, rather than looking out after the public interest, they engage almost exclusively in providing protection for the banking community.

As a most important case in point, these agencies are not audited by the Government Accounting Office, the official arm of the Congress. There is no check on their expenditures. This is a serious matter which I plan to bring before the House Committee on Banking and Currency in the near future and one which I trust will receive favorable consideration by both Houses of Congress.

In view of the fact that I am sure many Members will be interested in this particular case, under unanimous consent I insert at this point in the RECORD several letters of mine to the Federal Reserve Board protesting their illegal actions, as well as the text of Judge McGarraghy's landmark decision:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., March 22, 1966.

Hon. WILLIAM MCCHESNEY MARTIN,
Chairman, Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR CHAIRMAN MARTIN: Basing its decision in large part on the Board's ruling that First National City Bank's proposal to operate a mutual fund would not violate Section 32 of the Banking Act of 1933, the Securities and Exchange Commission, on March 10, approved the bank's application to register its fund under the Investment Company Act of 1940 (SEC Investment Company Act Release No. 4538).

This development raises very serious questions with respect to the long-established Congressional policy of separating commercial and investment banking. Congress was determined to prevent repetition of the terrible abuses and conflicts of interest characterizing bank-connected securities operations in the late 1920's. As my previous correspondence to the Board of Governors has made perfectly clear, I remain vehemently opposed to turning the clock back more than 30 year, but this is precisely what this bank's proposal threatens to do. I am not suggesting that the Board is not also desirous of avoiding repetition of the sins of the past in this regard—former Vice Chairman Balderston's testimony last spring is still quite fresh in my mind. Yet, I must admit my shock and dismay at the casual, almost offhand manner, in which the Board has apparently chosen to ignore the clear-cut policy of Congress expressed in the banking laws, e.g., 12 U.S.C. 24(7), 12 U.S.C. 78, 12 U.S.C. 377, 378, and the securities laws, e.g., 15 U.S.C. 80a-10(c). An unmistakable pattern emerges—aside from the fact that each statutory provision is clear on its face—of Congressional policy. This policy was incorporated into law with full knowledge that banks are supervised institutions. Yet, as I have said before, the Board apparently has chosen to embark on a drastic new course which without question conflicts with that clear legislative policy.

I have mentioned in my previous correspondence with you numerous areas of potential conflicts of interest inherent in the bank's proposed securities operation. Up to now, you have chosen not to address yourselves to this particular expression of concern, but instead have ignored the public policy question in favor of an unrealistically narrow and strained interpretation of Section 32.

The courts have held repeatedly that remedial statutes are to be liberally construed, not that the policy prescription of Section 32 is not abundantly clear and its language unambiguous. The legal memorandum you furnished completely misstates the holding of the Supreme Court in the *Agnew* case (329 U.S. 441), ignoring the real meaning of this landmark case.

The Board's decision was, instead, based upon the theory that the fund and the bank are not separate entities and, therefore, the policy prohibitions in Section 32 would not be violated by the proposed mutual fund operation. You claim that Section 32 applies only to formal corporate management interlocks. But the evil sought to be remedied by Section 32 is not prevented by this interpretation. Furthermore, the bank represented to the SEC that the bank and its fund are, in fact, *separate* entities and the Commission, based on this representation, granted the *fund* an exemption from the Investment Company Act prohibition against a registered investment company having a board of directors dominated by a bank. Furthermore, the fund, and not the bank, has been approved for registration with the SEC. Is the Board aware of the bank's inconsistent representations in this regard? I have more to say about this further in this letter.

You have failed to address yourselves to the real problem in this case and that is the problem of conflicts of interest which the regulation of neither the banking agencies nor of the Securities and Exchange Commission would prevent. The United States Supreme Court in *Agnew* in 1947 was well aware that banking is a supervised industry when it held that "Section 32 was designed . . . to remove tempting opportunities from the management and personnel of member banks." Former SEC Chairman Cary, in his 1963 testimony before a Congressional subcommittee, raised questions of conflicts similar to those contained in my letter to you of January 13:

"(1) Since the cash portion of the fund's portfolio may be deposited in the bank and used to make money for the bank, care must be taken to see that the question of how much of the portfolio should be kept in cash is decided on the proper grounds.

"(2) The fund has brokerage business to direct. We have learned that at present brokerage is often distributed by banks according to a formula which rewards those brokers who keep balances in the bank or have other business relations with the bank. This policy of the banks could lead to excessive portfolio turn-over or to the fund not receiving the maximum benefit from its brokerage business.

"(3) As I mentioned before, fund investments could be used to shore up bank investments.

"(4) Banks are underwriters and dealers in various kinds of Government bonds, many of which might be a suitable class of investments for the mutual funds they sponsor. It should be noted that the banks are making vigorous efforts to expand the permissible boundaries of their underwriting activities—most recently in the area of revenue bonds." Hearings before the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, 88th Cong., 1st Sess., pp. 11–12 (May 20, 1963).

All of these questions I commend to the Board's most serious attention and consideration. I am sorry that the Board has apparently not considered them long before now.

I also draw the Board's attention to certain requirements that last week's SEC decision imposed on the bank's plan which would materially and substantially change it from that proposal upon which the Board's

September 29 decision was based. The Board's decision published in the *Federal Register* emphasizes that only one member of the fund's management would be entirely independent of the bank, but that the remaining members would be officers in the trust department of the bank. With respect to the applicability of Section 32, the Board concluded:

"[B]ased on its understanding of the proposal and on the general principles that have been developed in respect to the application of Section 32, that the bank and Account would constitute a single entity for the purposes of Section 32, *at least so long as the operation of Account conformed to the representations made by the bank and outlined herein.* (My emphasis.) Accordingly, the Board said that Section 32 would not forbid officers of the bank to serve on Account's committee, *since Account would be regarded as nothing more than an arm of the bank.*" (Again, emphasis added.)

You will recall that in my January 13 letter, I severely criticized as unsound this theory which would permit First National City Bank to do directly that which even the Board agrees it is prohibited from doing indirectly. I still voice that criticism.

But aside from the question of the essential soundness of the Board's "unitary entity" theory, the possibility of utilizing such a theory to get around the prohibitions of Section 32 was, in my view, completely shattered by the SEC's refusal last Thursday to exempt this fund from the statutory requirement that at least 40 percent of its management be independent of the bank. Since three of the seven member management of the fund must be unaffiliated, it is clear that controlling only a bare majority of the fund's directors represents a material departure from the facts upon which the Board based its original decision, that is, the assumption that the fund will "be operated under the effective control of the bank." In view of the real likelihood that the independent directors may from time to time determine fund policies and that the approval of a majority of the independent directors is necessary to renew the fund's investment advisory contract with the bank, added to the legal right of a majority of the shareholders to cancel that contract at any time on 60 days' notice, it would be grossly inaccurate to describe the proposed fund as "nothing more than an arm or department of the bank." The legal requirements of the Investment Company Act are clearly to the contrary. This Act as a policy matter requires that a registered investment company deal at arm's length with its investment adviser (the bank). If they have to deal at arm's length, how can you possibly consider the bank and the fund a single entity?

Since the SEC has thus drastically changed the ground rules as to the fund's structure and operation from that originally presented for the Board's consideration, I know you will want to reassess your earlier decision that Section 32 would not be violated.

Furthermore, the SEC has just recently amended last week's decision and now considers First National City Bank an underwriter with respect to its proposed fund, an activity clearly prohibited by 12 U.S.C. 24(7), as well as Sections 78 and 378.

I want to make perfectly clear that the Board and I seek exactly the same objective—good administration of the law. I do not accuse any member of the Board, nor of its staff of dereliction of duty, but merely wish to remind the Board that this is a most grave decision for it to make, with no turning back. I wish to cooperate in every way I can in your efforts and will be happy to make available to you upon request an objective and independent legal appraisal of this matter as soon as it is completed by the Library of Congress.

Sincerely yours,

WRIGHT PATMAN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., May 17, 1967.

Hon. J. L. ROBERTSON,
Vice Chairman, Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR VICE CHAIRMAN ROBERTSON: While reviewing our recently published "get acquainted" hearings with department and agency officials, I noticed one particular question which I wish to pursue further with you.

As you may recall, last year I seriously questioned the legality of the Federal Reserve Board's ruling that our Federal banking laws do not prohibit member banks from engaging in the issuance and underwriting of equity securities. This, of course, is the now celebrated First National City Bank case currently before the Federal courts.

When you appeared before our Committee on March 15, you stated that the Board had concluded that neither section 20 nor section 32 of the Banking Act of 1933 prohibited the specific activity conducted by the First National City Bank. You further stated that the Board expressly refused to comment concerning violation of the criminal provision contained in section 21 of that Act.

Now as I recall the Board's ruling with respect to the First National City Bank application, you stated that the investment company would merely be an arm of the bank and therefore the prohibition against management interlocks in section 32 would not apply. However, a subsequent decision by the Securities and Exchange Commission provided that the investment company must have at least 40 percent of its directors completely independent of the bank. This requirement, which I understand the bank has complied with, certainly is in conflict with your earlier finding that the investment company would merely be an arm of the bank itself. Inasmuch as no more than 60 percent of the directors of the fund will be bank management, it seems to me that the problem of management interlocks raised by section 32 has not yet been resolved. I suggest that the Board reconsider its advisory decision in view of the new facts of the case resulting from the SEC ruling and the actual operation by the bank of the fund.

Also, I fail to notice in the Board's official decision any mention whatever of the applicability of section 20 of the Banking Act of 1933 with respect to this activity by First National City Bank. This is contrary to your representation before our Committee of March 15 where you stated that the Board had, in fact, considered the bank's proposal in light of section 20.

I do not understand how you can permit First National City Bank to actively engage in this activity without first determining that there is no violation of section 20 of this Act. Congress wanted to get commercial banks out of the investment banking business because of a long history of abuses, many of which involved the predecessor of First National City Bank itself. I understand the bank has publicly offered and sold several million dollars worth of shares in this fund. Inasmuch as the SEC in its decision last year specifically ruled that First National City Bank is to be considered an "underwriter", I suggest that the Board give its immediate attention to this question in light of section 20.

I will greatly appreciate your prompt attention to this very serious matter inasmuch as in my opinion the Board has rewritten our banking laws without benefit of Congressional action in much the same way as former Comptroller of the Currency Saxon. The fact that it is the subject of pending litigation is no reason for the Board to permit an erroneous decision to remain outstanding.

Sincerely,

WRIGHT PATMAN,
Chairman.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This refers to your letter of May 17, 1967, with regard to certain aspects of the Board's interpretation published at 1965 Federal Reserve Bulletin 1410 (12 CFR 218.111) concluding that section 32 of the Banking Act of 1933 (the "Act") does not forbid officers of a national bank to serve at the same time on the committee of a commingled investment account operated by the bank.

Your letter first asks that the Board reconsider its interpretation in view of the decision by the Securities and Exchange Commission that the account in question (as a regulated investment company, for the purposes of the statutes administered by the Commission) must have at least 40 per cent of its directors independent of the bank. In reply, I refer you to a letter of the Board dated March 31, 1966, to William Everdell, Counsel to First National City Bank of New York, a copy of which was forwarded to you under cover of a letter of April 1, 1966. In this letter, the Board expressed agreement "with the conclusion apparently reached by the Commission that having 40 per cent of the members of the committee unaffiliated with the bank will not prevent the proposed account from being operated under the effective control of the bank."

Your second question has to do with the fact that the Board's published interpretation does not discuss section 20 of the Act. Section 20 forbids affiliation of a member bank with any organization engaged "principally" in certain described securities activities. As is clear from my testimony before your Committee on March 15, 1967, the Board necessarily considered both section 32 and section 20 in reaching its original conclusion in the matter, although the question presented was limited to section 32. You will recall that in his response of December 15, 1965, to your letter of September 26, 1965, Chairman Martin discussed the possible application of section 20 to a hypothetical situation described by you, involving the acquisition by a national bank of controlling stock of a securities business primarily engaged in activities of the kind described in that section.

The Board's interpretation referred to above dealt not with a situation where a separately formed subsidiary has been acquired by a bank, but rather with an extension of existing banking activities, under the effective control of, and effectively integrated with the bank itself. It should be emphasized again that the Board was not asked to comment on the propriety of such an activity by a national bank, which was a matter within the jurisdiction of the Comptroller of the Currency, nor does it have statutory authority to conclude that the activity violates section 21 of the Act, which is a matter within the competence of the Department of Justice and the Courts.

As noted above, the question before the Board was limited to the possible applicability of section 32 to a collateral aspect of the matter, i.e., whether interlocking service

could exist between two arms or departments of the same entity. A fortiori, the Board's conclusion that the bank and its commingled account constituted a single entity also requires the conclusion that section 20 does not apply.

If I can be of any further assistance in this matter, please do not hesitate to call on me.

Sincerely,

J. L. ROBERTSON.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., May 27, 1967.

Hon. J. L. ROBERTSON,
Vice Chairman, Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR MR. ROBERTSON: While it is not my intention to pursue further the question of the registered investment company operated by the First National City Bank, I do wish to raise one final point about this matter.

Your interpretation of the law reaches the anomalous conclusion that Congress, in 1933, was concerned about stopping banks from having an interlocking relationship with securities issuers and underwriters but was not concerned about banks engaging in these operations themselves in a direct manner. I hardly believe that the legislative history supports such a conclusion.

Furthermore, while the prohibition in section 32 speaks in terms of "interlocks," section 20 speaks in terms of "affiliates." The latter section flatly prohibits member banks from being *affiliated* with securities underwriters. An "affiliate" is defined, among other things, as any association of which a member bank controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions . . ." Insofar as section 20 is concerned, can a valid argument be advanced that it makes a material difference that the bank and the underwriter constitute a single entity rather than having an interlocking relationship? I think not. What is meant by an affiliate is made quite plain in section 2(b).

As you know, First National City Bank controls 60 percent of the board of directors of the investment company. My final question is, therefore, and I make this in the form of a request for an official opinion of the Board, which for some reason the Board failed to include in its published decision (12 C.F.R. 218.111), is, or is not this investment company an "affiliate" of First National City Bank within the meaning of section 2(b) of the Banking Act of 1933? Is not this investment company a securities issuer and underwriter?

In addressing yourselves to these questions, I would suggest to the Board that with respect to the legal ramifications of its present interpretation of section 32 and its apparent interpretation of section 20, I have been advised that member banks would be free to establish controlled affiliates to engage in most any securities or other enterprise they would deem profitable, including the underwriting of revenue bonds.

I must respectfully reject the legal arguments advanced in your reply letter of May 24, and once again urge you to reconsider your earlier decision. This concludes my statements to the Board in this matter.

Sincerely,

WRIGHT PATMAN, *Chairman.*

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C.

Hon. WRIGHT PATMAN,
Chairman, Banking and Currency Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This refers to your letter of May 27, 1967, in response to my letter of May 24, 1967, regarding sections 20, 21, and 32 of the Banking Act of 1933 (12 U.S.C. 377, 378, and 78, the "Act") and the Board's interpretation in 1965 concerning the commingled investment account of First National City Bank of New York, as to which you urge reconsideration by the Board.

The Board has again reconsidered its conclusion that the operation of the commingled investment account established by First National City Bank of New York does not involve a violation of those sections of the Banking Act of 1933 which the Board was directed by Congress to administer. For the reasons set out in previous correspondence with you and discussed further below, the Board finds no sound basis for altering the views heretofore expressed.

Your letter states that the Board's interpretation of the law "reaches the anomalous conclusion that Congress, in 1933, was concerned about stopping banks from having an interlocking relationship with securities issuers and underwriters but was not concerned about banks engaging in these operations themselves in a direct manner." It is respectfully submitted that this is not an accurate summary of the Board's position. As the Board has repeatedly pointed out, section 21 of the Act, a criminal statute whose interpretation is not within the Board's jurisdiction, forbids banks (with certain exceptions) to engage in issuing securities.

The second question raised in your letter is whether an affiliation subject to the prohibitions of section 20 of the Act, should be held to exist where a bank performs activities described in that section in a division of its own trust department.

The Board has consistently taken the view that sections 32, 20, and 21 of the Act, while not identical in terminology, form parts of an interrelated statutory scheme, under which section 21 forbids banks to engage to any extent whatever in certain prohibited activities, while sections 20 and 32 are directed at means by which they might avoid this prohibition, either by affiliating themselves with organizations engaged "principally" in the activities, or informally, by having interlocking relationships with organizations engaged "primarily" in the activities. Before section 20 can apply, (1) there must be a "corporation, association, business trust, or other similar organization", (2) the organization must be "principally" engaged in the described activities, and (3) the bank must be affiliated with the organization in the manner described in section 2(b) of the Act.

The Board has taken the view that the first factor is not present in the case of First National City Bank's commingled investment account. While the account might be an "association" for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a), it is not such an organization for purposes of the Banking Act of 1933. As the Board has pointed out, the Investment Company Act of 1940 was drafted in considerably broader terms than was section 20, and a mere informal group of persons can qualify as an "investment company" under the latter statute (cf. *Prudential Insurance Company of America* v. *S.E.C.*, 326 F. 2d. 383, 387, 3d. Cir. 1964). By contrast, the phrase "corporation, association, business trust, or other similar organization" in section 20 of the 1933 Act has a fairly well-defined legal meaning. The Board, always subject of course to correction and guidance by the courts, does not consider the First National City Bank's commingled investment account to be such an organization for purposes of this section.

The essential question involved in this matter, in the Board's view, is whether operation of such an account is a lawful activity for a national bank. This question is within the competence of the Comptroller of the Currency, and as you are aware, the Comptroller has answered in the affirmative. The Department of Justice has not, apparently, at this time taken the view that section 21 would forbid operation of the account. As has been stated, the Board does not believe it has jurisdiction to pass on this question. It may be remarked, however, that operation of a commingled account rather closely resembles operation of a common trust fund on the one hand, and operation of an agency management account on the other, both of which are lawful activities for member banks.

The Board's interpretation published : 1965 Federal Reserve Bulletin 1410 (12 CFR 218.11), concluding that section 32 does not forbid interlocking service between First National City Bank and its commingled account, is expressly conditioned on several factors designed to limit the extent and marketing of the account. No sales fee is charged, minimum participations are $10,000 and the bank agrees not to promote the account except as part of its ordinary trust services. The Board expressly cautioned that any departure from these conditions might tend to weaken the conclusion that the account was not a separate entity from the bank, and could lead to a different conclusion.

Finally, the Board fails to see any connection between its holding on the question of the commingled account described in the interpretation mentioned above, and the question whether banks can or may deal in revenue bonds. Your letter states that under the Board's interpretation cited above, "member banks would be free to establish controlled affiliates to engage in most any securities or other enterprise they would deem profitable, including the underwriting of revenue bonds." As Chairman Martin pointed out in his letter to you of December 15, 1965, acquisition of stock in a controlled affiliate of the kind described in your letter would be forbidden by paragraph Seventh of 12 U.S.C. section 24 (section 5136 of the Revised Statutes). In addition, it seems highly probable that such a situation would come within the purview of section 20 of the Act. The Board can find no basis for your suggestion that its interpretation would facilitate such underwriting or issuing, either by a member bank itself, or through an affiliate controlled by such a bank.

Sincerely,

J. L. ROBERTSON.

[From the New York Herald Tribune, Jan. 15, 1966]

PATMAN FOR DELAY ON CITIBANK MOVE

Rep. Wright Patman, D., Tex., requested that the Securities and Exchange Commission delay a decision on whether First National City Bank should be allowed to offer a commingled investment account that would compete with mutual funds. Mr. Patman, a foe of the Citibank move, said the delay was needed so the House Banking and Currency Committee which he heads can look into the Federal Reserve Board's approval of the plan. He said in a letter to SEC chairman Manual F. Cohen that he believes the Board's ruling was "a gross misinterpretation of the law." The SEC hearings are scheduled for Tuesday.

[From the American Banker, June 6, 1967]

PATMAN SAYS FED OPENED LOOPHOLE ON UNDERWRITERS

(By Joseph D. Hutnyan)

WASHINGTON.—Wright Patman, D., Tex., chairman of the House Banking and Currency Committee, Monday charged that the Federal Reserve Board has opened a loophole for banks interested in underwriting and dealing in revenue bonds.

Mr. Patman said these securities could be issued under the Fed's 1965 decision which

permitted First National City Bank, New York, to set up a mutual fund-type operation.

The chairman said this was the effect of the Fed ruling when it decided that the mutual fund subsidiary proposed by FNCB was part of its banking operation.

"This precedent-shattering interpretation . . . of the Banking Act of 1933," he said, "clearly implies that if member banks, including national banks, desire to engage in general underwriting of common stocks, preferred stocks, corporate bonds, as well as revenue bonds, then the Federal Reserve Act is no bar, provided it is done through a 'satellite' set-up."

Mr. Patman claimed this is clearly contradictory to a previous Fed ruling which said that commercial banks could not handle revenue bonds.

He also noted that the courts so far have refused to sanction bank underwriting of revenue bonds.

Mr. Patman charged that the Fed is guilty of "an extreme example of bureaucratic confusion and self-contradiction" and is "completely oblivious . . . of the clear expression in the laws . . . that commercial banking and investment banking be kept separated."

Both FNCB and the revenue bond underwriting cases are still in the courts.

However, the Fed has taken the position that its two rulings are entirely consistent.

The Fed had decided that FNCB's commingled account was not a separate entity and therefore did not violate the section of the national banking law which bans interlocking directorates.

Lawyers for the agency claim this interpretation was strictly limited to the FNCB situation, and did not represent blanket permission for all banks to set up subsidiaries to deal in revenue bonds and other securities.

[In the U.S. District Court for the District of Columbia]

INVESTMENT COMPANY INSTITUTE, ET AL., PLAINTIFFS, *v.* WILLIAM B. CAMP, COMPTROLLER OF THE CURRENCY, DEFENDANT—CIVIC ACTION NO. 1083-66

OPINION

G. Duane Vieth, Esq., James F. Fitzpatrick, Esq., Charles R. Halpern, Esq., Arnold & Porter, Esqs., and Robert L. Augenblick, Esq., for plaintiffs.

Barefoot Sanders, Assistant Attorney General, Harland F. Leathers, Esq., Irwin Goldbloom, Esq., and Stephen M. Truitt, Esq., Department of Justice, David G. Bress, United States Attorney, and Joseph M. Hannon, Esq., Assistant United States Attorney, for defendant.

This action is brought against the Comptroller of the Currency by the Investment Company Institute in its representative capacity of the open-end investment companies, investment advisers and principal underwriters which comprise its membership. The Investment Company Institute (hereinafter called the Institute) is an unincorporated association, having its principal place of business in the city, county and state of New York. The Institute is a national association, having as its members 177 open-end management investment companies and their 88 investment advisers and 78 principal underwriters. The open-end management investment companies which are members of the Institute have assets of $36 billion, representing about 94 percent of the assets of all such companies in the United States, and have approximately 3.5 million shareholders. The other plaintiffs in this action are several individual members of the Institute. They seek an injunction to restrain the Comptroller from authorizing national banks to collectively invest funds tendered to the bank as managing agent solely for investment purposes. They also pray for a declaratory judgment adjudicating the pertinent regulation promulgated by the Comptroller to be invalid.

The action is now before this court on cross motions for summary judgment, all of the parties agreeing that no factual issues exist and that the legal issues are ripe for disposition by summary proceedings.

It is first necessary to review and to delineate the factual background upon which the issues in this action arose and within which these motions are made. In September of 1962 the statutory authority to regulate the fiduciary activities of national banks was transferred from the Board of Governors of the Federal Reserve System to the Comptroller of the Currency. Pub. L. 87-722, 76 Stat. 668, 12 U.S.C. § 92 a. Pursuant to this authority, the Comptroller caused to be published in the Federal Register for February 5, 1963, a proposed revision of the fiduciary regulation, 12 C.F.R. § 9. In addition to the types of collective investment funds permitted under the prior regulation, this proposed revision provided that national banks were authorized to invest funds held in the capacity of managing agent in a collective investment account, 12 C.F.R. § 9.18(a)(3).[1] Moreover, the proposed revised regulation allowed the Comptroller to approve collective investment of such funds in manners other than those expressly provided by Regulation 9, 12 C.F.R. § 9.18(c)(5).[2]

The Comptroller invited national banks and other interested parties to submit comments pertaining to the proposed regulation. Plaintiff Institute, on behalf of its members, participated to the full degree permitted and submitted a statement in opposition to the proposed regulation. It premised its argument on the same basis that it is presenting before this court, namely, that the revised regulation would allegedly permit activity prohibited by 12 U.S.C. § 92(a), and certain provisions of the Glass-Steagall Act, as amended, 12 U.S.C., §§ 24, 78, 377 and 378. Notwithstanding this opposition the final regulation was adopted by the Comptroller on April 5, 1963, and revised by minor modifications on February 5, 1964, 12 C.F.R. § 9.18.

Pursuant to the regulation, on May 10, 1965, the Comptroller approved a plan submitted by First National City Bank of New York (hereinafter referred to as the Bank) for the establishment and operation of a collective investment fund, called the Commingled Investment Account, under Regulation 9, 12 C.F.R. § 9. The plan as outlined by the Bank differed from the specifically enumerated collective investment funds authorized by the Comptroller's revised Regulation, but the bank, pursuant to 12 C.F.R. § 9.18(c)(5) sought and obtained the Comptroller's written approval of the plan.

On April 20, 1966, the Bank registered its Commingled Investment Account with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940, 15 U.S.C. § 80 as an open-end management investment company. On the same date, the Bank filed a registration statement with the Securities and Exchange Commission pursuant to the Securities Act of 1933, 15 U.S.C. § 77, for the purpose of registering the participating interests or units to be issued by its Commingled Investment Account. The registration statement concerning those participating interests or units became effective on June 14, 1966. From that date the Bank has offered and sold to the public participating interests or units issued by the Commingled Investment Account by means of the prospectus for the First National City's Commingled Investment Account.

Before proceeding to the merits of this controversy, it is best at this time to specifically describe the operation of a mutual fund and the operation of the Commingled Investment Account (hereinafter referred to as the Account) so that a better understanding of the problem can be achieved.

Generally, "mutual funds" are open-end management companies engaged in the business of continuously issuing and offering for sale redeemable securities which represent an undivided interest in the fund's assets. Most mutual funds are corporate in form and the securities issued by them usually consist of capital stock. However, there are a number of mutual funds in a variety of noncorporate forms and the securities issued by some of them are variously denominated as beneficial interests, participating agreements, and the like. The proceeds from the sale of the securities issued by a mutual fund are invested in a portfolio of securities of various kinds, in accordance with the stated investment policy of the particular fund. Some funds invest primarily in securities offering current income; others concentrate on long-term growth securities; still others specialize in particular industries or classes of securities; and many offer various combinations of objectives. The shareholder in a mutual fund is entitled at any time to redeem his interest, usually at net asset value, or in a few instances upon payment of a charge. To facilitate this redemption privilege as well as to establish a price at which new shares are being offered, the value of a share in a mutual fund is calculated regularly, typically twice daily, on the basis of the market value of the securities held by the fund. Because of the continuous process of redemption, the mutual fund would be restricted and contracted in size, unless it continuously issued and offered new securities for sale.

Except in unique circumstances, virtually no shares in mutual funds are traded from one investor to another, and there is no significant trading market for such shares. In almost all cases, shareholders in mutual funds desiring to obtain cash for their shares redeem them with the issuing company. The securities issued by most mutual funds are offered to the public at a price which includes a sales commission or sales load. There are some mutual funds whose shares are sold with no sales commission being charged. These latter funds are frequently called "no load" mutual funds. The activities of mutual funds are under the control of a board of directors or board of trustees. Directors or trustees are elected annually by the vote of a majority of the fund's outstanding voting securities.

Mutual funds usually contract an outside investment adviser for investment advice and other management services, and with a principal underwriter for the distribution of the fund's shares, pursuant to the statutory pattern established by the Investment Company Act of 1940, 15 U.S.C. § 80a-15. The investment adviser of a mutual fund furnishes advice to the fund with respect to its investment portfolio and the securities it should buy, hold, and sell. In some cases the adviser is empowered to purchase and sell securities for the fund. Some investment advisers also furnish supervisory and administrative services to the mutual fund. The investment adviser receives compensation for its services, usually in the form of a fee based on the total value of the assets being managed.

The principal underwriter of a mutual fund is engaged in the business of selling and distributing the securities issued by the fund to the investing public through brokers or dealers, or directly through the underwriter's

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[1] (3) In a common trust fund, maintained by the bank exclusively for the collective investment and reinvestment of monies contributed thereto by the bank in its capacity as managing agent under a managing agency agreement expressly providing that such monies are received by the bank in trust.

[2] (5) In such other manner as shall be approved in writing by the Comptroller of the Currency.

own salesmen, or both. The principal underwriter either purchases the securities issued by the fund for resale or acts as agent for the fund in distributing the securities. Except in the case of a no-load fund, the principal underwriter receives a fee for its services, usually in the form of a portion of the sales commission included in the selling price of the shares issued by the mutual fund.

Mutual funds are required to be registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940. The activities of the mutual funds and their relationship with affiliated persons and others are all subject to regulation under the Act. The investment advisers and principal underwriters who are plaintiffs herein, perform their services for the mutual funds they serve pursuant to contracts, the terms, execution and continuation of which are subject to the provisions of Section 15 of the Investment Company Act of 1940, 15 U.S.C. § 80a–15. The securities issued by each of the mutual fund members of the Institute are registered with the Securities and Exchange Commission pursuant to the Securities Act of 1933, 15 U.S.C. § 77. All such securities are offered to the investing public by means of a prospectus which is initially filed with the Securities and Exchange Commission under the Securities Act of 1933 as part of the registration statement for the securities to which the prospectus relates.

As can be readily ascertained, the mutual fund community is composed of three principal members. First the body corporate of the fund itself whose membership is the general investing public. This relationship is analogous to the common productive corporate structure. However, the primary function of the investment corporation is to obtain the objectives which are outlined in their charter through the mutual investment of the funds contributed by the "shareholders". *Alfred Inv. Inst.* v. *S.E.C.*, 151 F.2d 254 (1st Cir. 1945) *cert. denied* 326 U.S. 795, 66 S.Ct. 486, 90 L.Ed. 483 (1945). The relationship between the shareholder and the body corporate is plainly one of contract. *Stevenot* v. *Norbert*, 210 F.2d 615 (9th Cir. 1954); see also *Schroeter* v. *Bartlett Syndicate Bldg. Corp.*, 8 Cal. 2d 12, 63 F.2d 824, 825, *Ellingwood* v. *Wolf's Head Refining Co.*, 38 A.2d 743, 27 D.Ch. 356 (1944), 154 A.L.R. 406, *Corporations*, 18 Am. Jur. 2d § 463 (1965).

The management function of the mutual fund lies with the board of directors. They have essentially the equivalent powers as any corporate board of directors. In the same manner they are also responsible to their shareholders as fiduciaries. *Pepper* v. *Litton*, 308 U.S. 295, 60 S.Ct. 238, 84 L.Ed. 281 (1939), *Brown* v. *Bullock*, 194 F.Supp. 207 (S.D.N.Y. 1961) affirmed 294 F.2d 415 (2nd. Cir. 1961).

The board of directors within its broad scope of authority has the power to enter into contracts with the other two members of the mutual fund community, that is the investment advisers and the underwriters. The functions performed by the latter two members of the mutual fund community is essential for the propagation of the investment or the mutual fund corporation. The interrelationship of these independent entities is one of contract which essentially determines the respective position occupied within the structure by each member. The independence of each member is governed by statute as is their interdependence; see the Investment Company Act of 1940, 15 U.S.C. § 80a–1 et seq.

The above few paragraphs outline the general operation of the mutual fund structure. A similar outline is now presented for the operation of the Account as created by the Bank and approved by the Comptroller pursuant to Regulation 9.

The Account as established by the Bank, operates as follows: the investor-customer tenders his funds, $10,000 or more, to the Bank pursuant to a broad authorization making the Bank the customer's managing agent. There is thus created a principal-agent relationship between each individual investor-customer and the Bank. The authorization includes specific authority for the Bank to invest the customer's funds, together with the funds of other customers who have given the equivalent authorization, through the commingled Account. Funds in the commingled Account are invested in a pool of securities, principally common stocks and securities convertible into common stocks, offering the opportunity for long term growth of capital and income. The Account is divided into "units of participation" of equal value in order to determine conveniently the proportionate interest of each participant. No certificates indicating the "units of participation" are issued by the Bank; however, the participant is informed by a non-negotiable document as to how many "units of participation" are contained in his account.

A participation is transferable only to another person who has validly appointed the Bank as managing agent, and, because of the underlying agency relationship, the interest of participant terminates upon his death or incompetency and his funds are withdrawn from the Account and held for his legal representatives. There is no sales charge imposed on amounts invested in the commingled Account nor is there any redemption charge incurred upon withdrawal from the Account. An investor-customer may terminate his participation in whole or in part on the basis of the net asset value of the units of participation being redeemed. The net asset value of each unit of participation is determined as of the close of business of each of a number of specified valuation dates by dividing the net asset value of the Account as of the close of business on the valuation date by the number of units of participation then outstanding.

The operation of the Account is supervised by a Committee of five persons, who act essentially as a board of directors of the Account. Initially the members were appointed by the Bank, but hereafter are to be elected annually by the participants. Each participant will be entitled to vote at the election of the Committee members and his vote will be weighted according to the number of "units of participation" in his account. At least 40% of the members of the Committee must at all times be persons not affiliated with the Bank, but the majority of the members may be, and are expected to be, officers in the Bank's Trust and Investment Division.

The Committee is authorized to enter into a management agreement with the Bank. The agreement and any amendments thereto must be approved by more than 50% of the participants at their annual meeting and the Comptroller's approval thereof must also be obtained.

In accordance with the management agreement, the Bank serves as investment adviser and custodian for the Account. The Bank, therefore, maintains a continuous investment program consistent with the commingled Account's stated investment policy; it will determine what securities are to be purchased and sold, and will execute all transactions. The management agreement provides that the Bank will furnish all administrative, custodial and clerical services required by the Account and will pay all the organization costs and expenses. Subsequent maintenance fees, the cost of independent professional services, such as legal, auditing and accounting services, and the cost of preparation and distribution of notices to particpants and proxy statements are to be borne by the commingled Account. The Bank will, however, reimburse the Account for the compensation and expenses, if any, paid by the Account to the members of the Committee who are not affiliated with the Bank; the other members of the Committee will receive no separate compensation for their services to the Account. For these services the Bank receives a fee equal to ⅛th of 1 per cent of the average of the net asset value of the Account taken on each valuation date during each fiscal quarter, which is approximately ½ of 1 per cent on an annual basis.

Essentially, the commingled management agency Account as delineated by the Bank's plan consists of two principal members, the first being the membership of the Account consisting of the investor-customer, and the second being the Bank which occupies a dual position, one as investment adviser to the Account and the other as general agent to the participants of the Account. The Bank can also be considered to occupy the position of underwriter for the units of participation which are issued to the investor-customer. The Committee of the Account occupies a position equivalent to that occupied by the board of directors of the mutual funds.

The Account has been approved by the Comptroller, even though it does not essentially comply with all provisions of Regulation 9 as promulgated by him. This action indicates that even though the Account as presently structured does not meet every minute detail of the Regulation, any future plans similar to the one established by the Bank will obtain his approval under 12 C.F.R. § 9.18(c)(5). Therefore, it is not necessary for this court to analyze the differences between the Account as established by the Bank and Regulation 9. For the disposition of the issues before this court, the Account will be treated as if it completely meets the substantive requirements of Regulation 9. 12 C.F.R. § 9.

Before the merits of the issues in this case can be reached, two preliminary procedural matters must be noted. The Comptroller interposes the objection that the plaintiffs lack standing to sue, and that there is no justiciable issue before this court.

These issues—standing and justiciability—are nominally termed procedural only to differentiate between the initial hurdles which a plaintiff must overcome in order to obtain a judicial determination of his action on the merits, and the actual adjudication of the case on its substantive issues. This characterization often borders on mere semantics, since in order to obtain the proper perspective and focus upon the essence of these isues, as here, the substantive law upon which the plaintiffs premise their action must also be taken into account.

Standing has been, and remains, one of the most enigmatic areas of the law. 3 Davis, *Administrative Law Treatise*, § 22.18, at 291–92, n. 3. The courts have not developed a single formula which can be applied to a set of facts to determine whether a plaintiff has or does not have standing. The ever changing concepts which have been used in this area of the law can be readily ascertained by the many cases which have been cited in the briefs of both parties upholding their contentions. Due to the pervasiveness of definition in this area, the court is left with no alternative but to examine the long list of cases which hold that a particular plaintiff had standing on one hand, and on the other the long list of cases where the plaintiff has been denied his day in court because of the lack of standing.

Standing has been generally expressed by an indication that the alleged aggrieved party has asserted a legal right which was his to assert, or has been injured, or has been threatened with injury. *Perkins* v. *Luken Steel Co.*, 310 U.S. 113 (1940), cf *FCC* v. *Panders Bros. Radio Station*, 309 U.S. 470 (1940), *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925). But standing should not be confused with the doctrine of standing to sue which provides that in an action in a federal constitutional court, by a citizen against a

government officer in his official capacity, there is no justiciable controversy unless the citizen shows that such conduct invaded or will invade a private substantive legally protected interest. *Associated Ind.* v. *Ickes*, 134 F. 2d 694 702 (2nd Cir. 1943) *vacated as moot*, 320 U.S. 707 (1943), but see *Scott* v. *Macy*, 121 U.S. App. D.C. 205, 349 F. 2d 182 (D.C. Cir. 1965). The former standing is basically a means by which courts can accept or refuse jurisdiction, and it generally alludes to the capacity of a party to obtain judicial review of an administrative action. See *U.S.* v. *Storer Broadcasting Co.*, 351 U.S. 192, 197 (1956) and Jaffe, *Primary Jurisdiction*, 77 Harv. L. Rev. 1037 (1964). The doctrine of standing to sue is generally directed towards the capacity of a plaintiff to present his case before a district court *ab initio*.

The question as to whether a plaintiff may obtain judicial relief in cases like this has been variously phrased, but the many appellations which have been devised do not detract from the underlying policy objective which permeates each of these cases. This policy is well enshrined in Article III, § 2 of the United States Constitution, that is, a "constitutional" federal court cannot be given power to sit in judgment and revise administrative action, since there is no justiciable controversy and the opinion thus issued would merely be advisory. See concurring opinion of Mr. Justice Frankfurter in *Anti-Fascist Committee* v. *McGrath*, 341 U.S. 123, 149, 150 (1951), *Muskrat* v. *U.S.*, 219 U.S. 346, (1911), *C&S Airlines* v. *Waterman Corp.*, 333 U.S. 103, 113 (1948), *United Public Workers* v. *Mitchell*, 330 U.S. 75, 89 (1947), *Associated Ind.* v. *Ickes*, *supra*.

Standing to challenge an administrative action can be premised on a statutory provision specifically appended to the statute under which the administrative action was promulgated or where the provision for review has been made generally applicable by the Administrative Procedure Act, 5 U.S.C. §§ 701–704 (recodified by Pub. Law 89–554, 80 Stat. 378). Since there is no specific provision for review of the Comptroller's regulation within the terms of the enabling statute, Title 12, Section 1 *et seq.*, the terms of the Administrative Procedure Act will apply. *Citizens Nat. Bank of Maplewood* v. *Saxon*, 249 F. Supp. 557 (D.C. Mo. 1965),, affirmed 370 F. 2d 381 (8th Cir. 1966). See also *United Gas Pipe Line Co.* v. *F.P.C.*, 181 F. 2d 796 (D.C. Cir. 1950), cert. denied 340 U.S. 827 (1950)

The pertinent section of the Administrative Procedure Act specifically provides that:

"Any person suffering legal wrong because of agency action, or adversely affected or aggrieved by action within the meaning of a relevant statute, is entitled to judicial review thereof." 5 U.S.C. § 702.

Under this statutory provision a plaintiff must allege that he has suffered a legal wrong or that a legally protected right will be adversely affected or aggrieved by the agency's action in order to obtain standing before this court. The plaintiffs here are alleging that they are suffering a legal wrong by the allegedly illegal competition made possible by the Comptroller's regulation, thereby being adversely affected or aggrieved. The exact amount of damages which will be incurred by the plaintiffs is rather difficult to assess in precise figures, but the Comptroller has predicted that over the next five to ten years, commercial banks might capture as much as two billion dollars of mutual fund business.[3] The defendant interposes that the competition, even if illegally promulgated, does not create any legal wrong for which the plaintiffs may complain.

In support of its contention that the plaintiffs are not suffering any legal wrong and thereby lack standing to challenge the Comptroller's regulation, the defendant relies on a series of cases which contain the general principle that mere competitive injury made possible by governmental action does not confer standing on the injured party to restrain governmental action. *Tennessee Power Co.* v. *TVA*, 306 U.S. 118, 137 (1938), *Alabama Power Co.* v. *Ickes*, 302 U.S. 464, 479 (1937), *Perkins* v. *Lukens Steel Co.*, 310 U.S. 113 (1940), *Texas State AFL–CIO* v. *Kennedy*, 330 F. 2d 217, 218 (D.C. Cir. 1964), *Benson* v. *Schofield*, 336 F. 2d 719 (D.C. Cir. 1965), *cert. denied* 352 U.S. 976, *Kansas City Power & Light Co.* v. *McKay*, 225 F. 2d 924 (D.C. Cir. 1955), *cert. denied* 350 U.S. 884, 76 S. Ct. 137, 100 L. Ed. 780 (1955). In these cases, the plaintiffs alleged that they were suffering economic loss from the government created competition, but it is significant to note that the competition created by government action in these cases was specifically authorized and sanctioned by Congress and was based upon specific statutory grounds.

Moreover, most of the cases cited by the defendant in support of his allegation that the plaintiffs lack standing have been assiduously distinguished by subsequent decisions of the Supreme Court, even though they have not been expressly overruled. In *Chicago* v. *Atchison, Topeka & Santa Fe Railway*, 357 U.S. 77 (1958), the Supreme Court gave explicit recognition to a competitor's standing to challenge illegal competition. That case involved two competitors, one of whom (Parmelee) had alleged that the other (Transfer) was operating illegally because it had not complied with certain licensing requirements imposed by the City of Chicago. Transfer argued that Parmelee had no standing to object to Transfer's allegedly illegal competition, but this argument was flatly rejected by the Court:

"It is enough, for purposes of standing, that we have an actual controversy before us in which Parmelee has a direct and substantial personal interest in the outcome. Undoubtedly it is adversely affected by Transfer's operation. Parmelee contends that this operation is prohibited by a valid city ordinance and asserts the right to be free from unlawful competition.

* * * * *

"[Transfer] argues that a party has no right to complain about unlawful competition, citing *Alabama Power Co.* v. *Ickes*, 302 U.S. 464 and *Tennessee Electric Power Co.* v. *TVA*, 306 U.S. 118. We do not regard either of these cases as controlling here. It seems to us that Transfer's argument confuses the merits of the controversy with the standing of Parmelee to litigate them. . . . Parmelee's standing could hardly depend on whether or not it is eventually held that Transfer can lawfully operate without a certificate of convenience and necessity." 357 U.S. 77, at 83–84.

With regard to some later cases holding that competitors had standing, see *American Trucking Ass'n.* v. *U.S.*, 364 U.S. 1 (1960), *National Motor Freight Ass'n.* v. *U.S.*, 371 U.S. 223, rehearing denied 372 U.S. 246 (1963), affirming 205 F.Supp. 592 (D.C.D.C. 1962) only on the merits but not as to the standing issued; *Philco Corp.* v. *FCC*, 257 F.2d 656 (D.C. Cir. 1958), *cert. denied* 358 U.S. 946, 79 S.Ct. 350, 3 L.Ed.2d 352 (1959), *Whitney National Bank* v. *Bank of New Orleans & Trust Co.*, 323 F.2d 290 (D.C. Cir. 1963), rev'd on other grounds, 379 U.S. 411 (1965).

In two recent cases challenging the authority of the Comptroller to promulgate regulations under other sections of the banking statutes, the plaintiffs have been granted standing to challenge the regulations over the objections of the Comptroller. Since these cases are directly in point they will be discussed at length. In *Baker, Watts & Co.* v. *Saxon*, 261 F.Supp. 247 (D.C.D.C. 1966), a number of plaintiffs, engaged in underwriting and distributing revenue bonds, sought a declaratory judgment that the Comptroller's regulations authorizing commercial banks, for the first time, to enter the revenue bond business violated the Glass-Steagall Act. The Comptroller raised the standing defense, citing the identical cases as brought forth in his present argument. Judge Holtzoff summarily disposed of that contention by stating:

"The gravamen of the plaintiffs' claim for relief is that they are being subjected to competition by illegal activities of national banks. While no one may maintain a suit to restrain lawful competition merely because he is suffering an economic detriment, nevertheless, a person has a standing to complain against illegal competition, or specifically, against competition on the part of a person who lacks the legal right or power to pursue the competitive activities." 261 F. Supp. at 248.

Judge Holtzoff's opinion focuses not on the impairment of the plaintiffs' competitive position by the unlawfully created competition, but rather on the premise that but for the illegal competition condoned by the Comptroller's regulation, the plaintiffs would not have any economic detriment to base their complaint.

Likewise, in *Georgia Association of Independent Insurance Agents, Inc.* v. *Saxon*, 260 F.Supp. 802 (N.D. Geo. 1966), the district court denied a motion to dismiss for lack of standing. In that case the Comptroller had authorized, for the first time, national banks to sell insurance in towns with more than 5000 people, even though Section 92 of Title 12 of the United States Code permitted banks to act as insurance agents only in places with a population of 5000 or less. Plaintiffs were insurance agents and trade organizations representing insurance agents. Plaintiffs there alleged that the Comptroller was acting beyond his authority to issue the ruling which was in direct violation of 12 U.S.C. § 92 and that, as a result, national banks were able to illegally compete with the plaintiffs. The district court, in reaching its conclusion, observed that:

"In *Tennessee Power Co., supra*, and in *Alabama Power Co.* v. *Ickes*, 302 U.S. 464, 58 S.Ct. 300, 82 L.Ed. 374 (1937), the plaintiffs alleged that they were suffering economic loss from the government created competition. In both cases the Supreme Court held that such economic loss alone did not confer standing on the aspiring plaintiffs. It is important to note that such competition was authorized by Congress and was based upon statutory grounds.

"In the instant case, the competition complained of is not explicitly authorized by statute, but rather is impliedly prohibited by the congressional grant of power. . . ." 260 F. Supp. at 803.

The district judge, in denying the Comptroller's motion to dismiss, further stated:

"The Court is of the opinion that the defendant's attack on the plaintiff's standing is without merit. Title 12, U.S.C.A. § 92 has the effect of protecting insurance agents from certain competition. Surely, the plaintiffs have the right to their day in court to show that the protection afforded them by 12 U.S.C.A. § 92 has been violated." 260 F. Supp. at 804.

Subsequent to its finding of standing, the District Court ruled on the merits of the issues and granted the declaratory judgment and injunction which was sought by the plaintiffs. 268 F. Supp. 236 (N.D. Geo. 1967).

Defendant places great reliance in his brief on the recent case of *Pennsylvania Railroad Co.* v. *Dillon*, 335 F. 2d 292 (D.C. Cir. 1964), *cert. denied sub nom, American Hawaiian Steamship Co.* v. *Dillon*, 379 U.S. 945 (1964).

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[3] *Hearings on H.R. 8499, 9410 before the Commerce and Finance Subcommittee of the House Committee on Interstate and Foreign Commerce*, 88 Cong. 2d Sess. p. 26 (1964). See also Comment, *Of Banks and Mutual Funds:* The Collective Investment Trust, 20 Sw.L.J. 334 (1966).

In that case plaintiffs alleged not only that defendant Dillon had exceeded his statutory authority but also that the competitive activity which had been allowed was in and of itself illegal. The competing carriers challenged the authority of the Secretary of the Treasury to enroll certain vessels in the coastwise trade, allegedly in violation of the Merchant Marine Act of 1920, as amended, 46 U.S.C. § 883. That section prohibited the enrollment and documentation of vessels "jumboized" by the installation of foreign-made mid-bodies. The Court of Appeals for the District of Columbia Circuit found that the carriers lacked standing even though they alleged the competition was illegal and in violation of the specific provision of the statute. The Court pointed out the dichotomy of Section 10(a) of the A.P.A., namely the "legal wrong" aspect and the "adversely affected or aggrieved" aspect, as it related to the issue of standing and it concluded that:

"Under either leg of Section 10(a), therefore, since appellants only complain of government enhanced competition, they must demonstrate 'statutory aid to standing'." 335 F. 2d at 295.

After analyzing the enabling statute the Court concluded that "Congress did not intend to insulate coastwise carriers from other domestic competition or to give them any legally protected right to be free from such competition." 335 F. 2d at 295.

A close analysis of the holding in the *Pennsylvania Railroad, supra,* case does not require a determination of the standing issue adverse to the plaintiffs. In that case the Court of Appeals found that the underlying purpose of the statute under which the regulation was promulgated was to stimulate and encourage resort to domestic shipyards and thus to ensure them sufficient business so that their facilities would be adequate at times of national emergencies, 335 F. 2d 292, at 295. The statutes, under which the regulation in issue was promulgated, were enacted to establish a clear Congressional policy which sought to separate national commercial banking from the securities business.[4] The primary intent of Congress was to segregate these functions and to allow separate entities to engage in these business areas. This clarity of purpose is garnered not only from the Congressional hearings reports of the Glass-Steagall Act, but also from the exactitude with which Congress has delineated the area of common interest in this financial structure.[5] This strong general policy against the invasion of either field of endeavor by either entity is sufficient to postulate an interest upon which standing to challenge the regulation may be premised, cf. *American Trucking Ass'n.* v. *U.S.* 364 U.S. 1 (1960).

Therefore, by implication, the plaintiffs here have a right to complain of the competition which is being condoned under the Regulation. This competition is illegal in the sense that Congress has indicated its policy of separating the two financial institutions and this Regulation allows in an indirect manner a joinder of these interests. The plaintiffs were the recipients by implication of Congressional protection.

Even if this invasion would not in fact cause a palpable injury[6] to be inflicted upon the plaintiffs which could be termed to be a legal wrong under the first leg of Section 10(a) of the A.P.A., now 5 U.S.C. § 702, the plaintiffs could have standing to represent the public interest as held in *Sanders Bros. Radio Station* v. *F.C.C.*, 309 U.S. 470 (1940), *Scripps-Howard Radio, Inc.* v. *F.P.C.*, 316 U.S. 4 (1942), and *F.C.C.* v. *N.B.C.* (*K.O.A.*), 319 U.S. 239, 63 S.Ct. 1035, 87 L.Ed. 1374 (1943). See the application of this doctrine by Judge Frank in *Associated Industries* v. *Ickes*, 134 F. 2d 694 (2nd Cir. 1943), *vacated* as moot 320 U.S. 707 (1943).

The practical effect of the doctrine advanced by those series of cases grants standing to challenge the legality of administrative action to one who is in fact adversely affected by administrative action. Standing in those instances is predicated upon the theory that the plaintiffs do not represent their own private property interests but rather the interests of the public. In the instant situation the plaintiffs could be classified as private "Attorneys General" based on the premise that the public policy dictated by Congress in the Glass-Steagall Act is not being adhered to by the agency charged with its enforcement. See *Philco Corp.* v. *FCC*, 103 U.S. App. D.C. 278, 257 F. 2d 656 (1958), *cert. denied* 358 U.S. 946, 76 S.Ct. 350, 3 L.Ed. 352 (1959), where the competitive interest of a manufacturer and not a broadcaster was held sufficient to satisfy the "person aggrieved" provision of the Federal Communications Act. See also Jaffe, *Standing to Secure Judicial Review: Public Actions and Private Actions*, 74 Harv. L.Rev. 1265 (1961), 75 Harv. L.Rev. 255 (1961), and Davis, 3 Administrative Law Treatise §§ 22.04, 22.05, 22.11 (1958), (Supp. 1965).

Finally, a denial of standing, as urged by the defendant, would leave the plaintiffs and all others similarly situated without a right to seek redress against capricious, arbitrary and unwarranted Regulations issued by the Comptroller, however flagrant and contrary to the intent of Congress. This court, therefore, holds that the plaintiffs have standing to challenge the Comptroller's Regulation 9.

The Comptroller also asserts that there is no justiciable issue or controversy present in this case. This assertion is biforcated on two grounds. The first is apparently premised upon the theory that the Comptroller's regulation permitting national commercial banks to establish the commingled Account does not regulate nor does it impose any obligation or duty upon the plaintiffs. The standards of justiciability are not limited to those situations in which the plaintiffs are directly regulated by the defendant government official. Indeed, in none of the branch bank cases in which the plaintiff was a state bank did the challenged regulations impose a duty upon or regulate the plaintiffs in any manner. e.g. *First Hardin National Bank* v. *Fort Knox National Bank*, 361 F. 2d 276 (6th Cir. 1966), *First National Bank of Smithfield* v. *Saxon*, 352 F. 2d 267 (4th Cir. 1965), *Union Savings Bank of Patchogue* v. *Saxon*, 118 U.S. App. D.C. 296, 335 F. 2d 718 (D.C. Cir. 1964), *Whitney National Bank* v. *Bank of New Orleans & Trust Co.*, 323 F. 2d 290 (D.C. Cir. 1963), *rev'd on other grounds* 379 U.S. 411 (1965), *Commercial Security Bank* v. *Saxon*, 236 F. Supp. 457 (D.C. Cir. 1964), affirmed 343 F. 2d 758 (D.C. Cir. 1965). However, the justiciability assertion made by the Comptroller in each of these cases was decided adversely to the Comptroller.

The district court in *Baker, Watts & Co.* v. *Saxon, supra,* summarily rejected the Comptroller's contention, stating that:

". . . a justiciable controversy obviously exists justifying the court in entertaining an action for a declaratory judgment. The plaintiffs claim that the defendant is authorizing national banks to conduct certain activities in violation of the law and that these activities transgress the powers of the banks and that they are injurious to the plaintiffs." 261 F. Supp. at 249.

The second ground for the lack of justiciability is premised on the theory that only the Comptroller can challenge the acts of a national commercial bank when it acts in excess of its powers. However, the primary thrust of the plaintiffs' allegation is directed not at the national bank which is acting under authority granted by the Comptroller, but rather at the scope of the authority under which the Comptroller promulgated the regulation in issue. The district court in *Georgia Association of Independent Insurance Agents, Inc.* v. *Saxon, supra,* simultaneous with its denial of the motion to dismiss for lack of standing, rejected the Comptroller's assertions on the issue of justiciability. It unequivocally stated that:

"The defendant further contends that . . . the Comptroller is sole enforcer of the National Banking Act. This contention is impliedly repudiated by the repeated decisions that banks have standing to challenge an allegedly illegal order . . . and was explicitly repudiated in an opinion by the Fifth Circuit Court of Appeals which stated: "The fact that the Comptroller is charged under 12 U.S.C. § 93 with the duty of enforcing the National Banking Act certainly does not have the effect of prohibiting actions to enforce the law by any other party who might have a legitimate interest. *Jackson* v. *First National Bank of Valdosta*, 349 F. 2d 71 (1965) at p. 75." 260 F. Supp. at 804.

A recent Supreme Court decision inferentially rejects the Comptroller's arguments on the lack of justiciability, *Abbott Laboratories* v. *Gardner*, 387 U.S. 136 (1967). The Supreme Court reversed and remanded to the Court of Appeals for the Third Circuit so that the Court of Appeals could consider the issues on the merits. The Court of Appeals had reversed the district court's decision without reaching the merits of the case, 352 F. 2d 286 (3rd Cir. 1965). The district court had found that "a justiciable controversy arises where a plaintiff is confronted with substantial present or imminent harm . . . the very presence of a threat of harm makes the regulations ready for review." 288 F. Supp. 855, 861 (D.C. Del. 1964). The Court of Appeals reversed on the basis that no "actual case or controversy" existed as required for justiciability under the Declaratory Judgment Act. However, the Supreme Court decreed that "the impact of the regulations upon the plaintiff is sufficiently direct and immediate so as to render the issue appropriate for judicial review at this stage." 387 U.S. at 152.

Having found that the plaintiffs have standing to seek redress and that they have presented a justiciable issue, we are now ready to seek a resolution of the subject matter involved in this litigation.

The principal issue involved in this controversy is whether or not the Comptroller has the statutory authority to empower national commercial banks to create, organize and manage the commingled Account. The gist of the activity of managing the Account consists of the purchase and sale of equity securities, nominally for long-term growth of capital and income, for the participating members. National banks have only such powers as are expressly given by federal statute or by necessary implication therefrom, 12 U.S.C. § 24. *Houston* v. *Drake*, 97 F.2d 863 (9th Cir. 1938), *Baltimore & O. R. Co., et al.*, v. *Smith*, 56 F.2d 799 (3rd Cir. 1932), and in some trust activities they may be authorized to act by the Comptroller in any capacity in which competing state banks are permitted to act. 12 U.S.C. 92a(a). See *First National Bank in St. Louis* v. *Missouri*, 263 U.S. 640 (1923), and *Mercantile National Bank* v. *Langdeau*, 371 U.S. 55 (1962), *City of*

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[4] *Hearings Pursuant to S. Res. 71 Before a Subcommittee of the Senate Committee on Banking and Currency*, 71st Cong. 3rd Sess. (1931).

S. Rep. No. 77, 73d Cong. 1st Sess. (1933)

H.R. Rep. No. 742, 74th Cong. 1st Sess. (1935)

See also 75 Cong. Rec. 9909 (1932) (remarks of Senator Bulkley).

[5] Note specifically amendments made to Section 24, par. Seventh of Title 12.

[6] *Bantam Book* v. *Sullivan*, 372 U.S. 58, 83 S.Ct. 631, 9 L.Ed. 2d 584 (1963)—see also the discussion of the "Adversely Affected in Fact" doctrine promulgated by Prof. Davis, 3 Davis, *Administrative Law Treatise* § 22.02 (1965 Supp.)

Yonkers v. *Downey*, 309 U.S. 590 (1940), 60 S.Ct. 796, 84 L.Ed. 964, rehearing denied 60 S.Ct. 1071, 310 U.S. 656, 84 L.Ed. 1420, and *Condon* v. *Downey*, 310 U.S. 656, 60 S.Ct. 1071, 84 L.Ed. 1420, *U.S.* v. *Palmer*, 28 F.Supp. 1936 (D.C.N.Y. 1939).

Authority to oversee trust activities of national banks which was vested in the Federal Reserve Board of Governors, 12 U.S.C. § 248(k) was repealed in 1962 when authority to regulate the fiduciary activities of national banks was transferred to the Comptroller. 12 U.S.C. § 92a, 76 Stat. 668, Pub. L. 87–722. Upon transfer of this authority the Comptroller issued Regulation 9 pursuant to which the First National City Bank established the commingled Account. In order to determine the validity of Regulation 9, it will be necessary to investigate each section of the relevant statutes and also to determine the intent of Congress when it enacted the relevant statutes. In order to complete the determination of the issues involved, it will also be necessary to determine whether or not the relevant state statute, here the N.Y. Banking Law Section 100, allows local state banks to act in a similar fashion as is presently being allowed by Regulation 9.

This Regulation authorizes national banks to commingle managing agent accounts, allowing, therefore, the bank to purchase equity securities for the Account in general and not for any specific participating member. The essence of this activity is the purchase and sale of securities deriving thereby a benefit for the participating members, and fulfilling the stated purpose of the Account.

The first statutory provision which is encountered along the logical progression to our conclusion is 12 U.S.C. § 92a which delineates the trust powers which the Comptroller is authorized to grant to the national banks. Section 82a(a) provides:

"The Comptroller of the Currency shall be authorized and empowered to grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located."

and under 12 U.S.C. § 92a(j) the Comptroller: [7]

". . . is authorized and empowered to promulgate such regulations as he may deem necessary to enforce compliance with the provisions of this section and the proper exercise of the powers granted therein." 76 Stat. 668, Pub. L. 87–722 § 1.

Pursuant to this statutory authority the Comptroller can empower national banks the right to act in a fiduciary capacity and to issue regulations controlling this activity. From the statutory language it can be concluded that the Comptroller can grant trust powers to the national banks; but the real crux of this issue is whether or not the commingled Account can be considered a fiduciary activity as provided by the statute.

The Comptroller contends that there can be no doubt that the Bank's relationship to the participants in the commingled Account is a fiduciary relationship; however, this general statement, upon close analysis, is untenable. The principal-agent relationship arises from a contractual agreement between the parties. The nature of this relationship gives rise to certain duties which are implied by the law, namely, a fiduciary duty and a duty of loyalty. The trustee and the agent have an equivalent duty of loyalty. The fiduciary duty of the agent is similar to but not the equivalent of the fiduciary duty of a trustee.

The many differences as to the characteristics of a principal-agent relationship and a trustee relationship are notable especially as they relate to the issue in this case. Consent of both principal and agent is a necessary requirement for the creation of the relation whereas the beneficiary of a trust need not consent. An agent is subject to the control of his principal, but a trustee is not subject to the control of the beneficiary. An agent can bind his principal by contract or otherwise, but a trustee has no such power with regard to his beneficiary. The agency relationship is terminable by the direction of the principal or by his death without any express provision to that effect, but this is untrue with respect to a trust unless the instrument so provides. See *Restatement* (Second) *of* Agency, Section 13, comment *a*, Section 14B, comments *e* to *h*, and Section 425, comment *a*. Note also Bogert, *Trusts and Trustees*, § 15 (2d. ed. 1965) p. 70 and *Restatement of Trusts*, 2d § 8, comment *i*.

The Bank and the individual participant of the Account enter into an agency relationship prior to or simultaneous with the participant's engagement with the Account. The Bank's role in this relationship is one of managing agent, nor as trustee for the participant. A leading authority on the law of trusts has stated:

"The duties and powers in the institution [e.g. a bank] as agent are determined by the terms of the contract made with the customer; the duties and powers of the institution as trustee depend not only upon the terms of the trust but also upon the principles and rules of the common law and of statutes which are applicable to the trust relation. The liabilities of the institution as agent depend upon whether it has failed to use due care in the performance of the duties which it undertakes; its liabilities as a trustee depend upon whether it has committed a breach of trust. Ordinarily the responsibilities of the institution are more extensive where it acts as trustee than where it acts as agent, and it may incur no liabilities as agent for conduct which would render it liable if it were trustee." 1 Scott on Trusts, Section 8.1 Bank as Trustee or Agent (2d. ed. 1956).

The courts, as well as the recognized authorities in trust law, have distinguished sharply between the responsibilities of a true trustee and those of a managing agent, even where the latter is granted complete discretion in acting for his principal. It is, of course, established that the managing agent occupies a position of confidence, in which he must act with reasonable care and is held to a standard of conduct higher than that which prevails in the ordinary course of business in the marketplace. But the courts have stated plainly that this is not the high standard of care and strict accounting imposed upon a trustee, *Stephens* v. *Detroit Trust Co.*, 284 Mich. 149, 278 N.W. 799 (1933), *Anderson* v. *Abbott*, 61 F.Supp. 888 (W. D. Ky. 1945), *O'Connor* v. *Burns, Potter & Co.*, 151 Neb. 9, 36 N.W. 2d 507 (1949). In both the *Stephens* and *O'Connor* cases the principal brought suit for accounting against the defendant managing agent on the basis that they had breached the high duty of care imposed upon a trustee. The decisive factor in both cases was that the relationship which existed between the parties had been freely chosen and established and, having entered into an agency contract, the investor could not assert that the relationship was in fact a trust.[8]

Contrary to the contentions made by the Comptroller, the managing agent relationship is not a true fiduciary relationship as it has been defined by the courts and by the recognized authorities in this field. Therefore, it is concluded that the managing agency relationship does not fall within the traditional fiduciary powers as delineated in 12 U.S.C. § 92a(a).

Section 12 U.S.C. 92a(a), however, permits a national bank to act "in any other fiduciary capacity in which state banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the state in which the national bank is located." This saving provision allows national banks to offer the equivalent fiduciary services to their customers that a local state bank might offer.

The Comptroller has authorized the First National City Bank, located in New York state, to establish a commingled Account pursuant to Regulation 9, and under the competitive provision of 12 U.S.C. §92a(a) the authorization granted to First National City Bank may be legally valid, if the banking laws of New York state allow competing institutions to establish a commingled Account.

The general powers of state banks in New York state are contained in McKinney's Consl. L. N. Y. Banking Law § 96 amended, L. 1966, c. 324. These general powers have been supplemented by specific statutory provisions which grant state banks the power to act in a fiduciary capacity, N. Y. Banking Law §§ 100, 100-a, 100-b, 100-c, as amended. Each of these statutory provisions delineate the authorization of state banks with a definite degree of specificity, and none of the sections noted above allow a commingling of managing agency accounts. The only section which could even be deemed to inferentially grant this authority is Section 100-c, which relates to the power of banks to commingle funds held in a fiduciary capacity, specifically requiring that common trust funds be limited to moneys received and held "as executor, administrator, guardian, personal or testamentary trustee, donee of a power during minority to manage property vested in an infant or committee. . . ."

A search of the New York state case law has failed to reveal any relevant judicial interpretation of this statutory section. However, it has been held that state banks are prohibited to exercise any power which was not expressly granted, *O'Connor* v. *Bankers Trust Co.*, 159 Misc. 920, 289 NYS 252 (Sup. Ct. 1936) affirmed 278 NY 649, 16 NE 2d 302; see also *Nassau Bank* v. *Jones*, 95 NY 115, 47 Am. Rep. 14, (Ct. of App. 1884). These decisions indicate that New York state courts follow the federal rule, applicable to national banks, as expressed in *Calif. Bank* v. *Kennedy*, 167 U.S. 362, 17 S.Ct. 831, 42 L.Ed. 198 (1897), that the exercise of power not expressly granted to a national bank is prohibited. This restrictive interpretation of the powers granted under Section 100-c is further substantiated by noting that when the New York legislature has wanted to broaden the categories of accounts held and administered by banks which could be invested in a common trust fund, it has amended Section 100-c to do so.[9]

It is the conclusion of this court that the

[7] Section 11(k) of the Federal Reserve Act, as amended, 12 U.S.C. § 248(k) (repealed), empowered, in identical terms the Federal Reserve Board to issue regulations.

[8] But see, Saxon and Miller, *Common Trust Funds*, 53 Geo. L. J. 994, 1015, and Main, *Common Trust Funds*, 83 Banking L.J. 565.

[9] For example, that section was amended to permit a state bank acting as the "donee of a power during minority to manage property vested in the infant" to place the property so managed in a common trust fund, L. 1958, c. 496 § 1; L. 1965, c. 824 § 5. Note also the specific accounting and notice provisions which are contained in Section 100-c as strictly construed by the courts in *In re Lincoln Rochester Trust Co.*, 201 Misc. 1008, 111 NYS 2d 45 (1952). See also New York Banking Board Regulation, 3 N.Y.C.R.R. 11.91 which states that a common trust fund "may be operated only for true fiduciary purposes."

commingling of managing agency accounts is not authorized either under the federal statutes or the New York banking laws.

Even if the managing agency accounts could be considered bona fide fiduciary activities, and, therefore, authorized by the present statutes, the commingling of these accounts would still be illegal under the provisions of the Glass-Steagall Act. In order to arrive at this determination it is necessary to make an exact characterization of the Account which was established.

As noted in the early section of this decision, a mutual fund continuously issues its own securities as does the commingled Account. A mutual fund invests the proceeds from the sale of its securities in a diversified investment portfolio, in the same manner as the commingled Account. The mutual fund shares obtains for the investor an undivided interest in the fund's portfolio, as does a units of participation in the commingled Account. Within certain limitations, a participating member of the Account can redeem his units of participation in a similar manner as the holder of mutual fund shares. A majority of the participating members elect the members of the Committee, who oversee the affairs of the Account in much the same manner as mutual fund stockholders elect their board of directors or trustees. The SEC has required the Account to register as an investment company under the Investment Company Act of 1940, 15 U.S.C. § 80. The SEC pursuant to its authority under 15 U.S.C. § 80, 3(c), has granted certain exemptions to the requirements of the Investment Company Act as it relates to board membership;[10] nevertheless it has recognized the similiarity between the Account and an investment company.[11] The Bank and the Committee have entered into a contractual agreement under which the Bank performs managing and advising functions for the Account. This contract is the equivalent of the contracts which are entered into by the mutual funds and their investment advisers. These contracts are subject to and must be submitted for review by the SEC under the provisions of the Investment Company Act. There are some differences between a mutual fund and a commingled Account,[12] but these are not substantially sufficient to create a legal differentiation between the two investment vehicles. The similarities between these related activities are a sufficient basis to draw an analogy from which an equivalency can be premised.

The Comptroller attempts to differentiate between the mutual fund investment vehicle and the commingled Account by attempting to establish a major difference between a mutual fund share and a unit of participation. This differentiation is premised on the basis that the unit of participation is not a security as such. This is mere tautology and a matter of semantics.

The United States Supreme Court has noted that for the purposes of the Securities Act of 1933 the test for a security is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others. *SEC* v. *Howey, Co.*, 328 U.S. 293, 301 (1946). See also *S.E.C.* v. *Variable Annuity Life Ins. Co.*, 359 U.S. 65 (1959) and *Prudential Insurance Co. of America* v. *S.E.C.*, 326 F. 2d 383 (3rd Cir. 1964), *cert. denied* 377 U.S. 953 (1964). Under this all encompassing definition, in its most comprehensive sense, whenever an investor relinquishes control over his funds and submits their control to another for the purpose and hopeful expectation of deriving profits therefrom he is in fact investing his funds in a security. The unit of participation in the commingled Account is in fact a security and has been so recognized by the SEC by its requirement that the Bank register the units of participation under the Securities Act of 1933.

The Comptroller argues, however, that the definition of "securities" for the purpose of the Securities Act of 1933 is not applicable to define "securities" as the term is used in the Glass-Steagall Act. He asserts that this definition as judicially and administratively derived has no relevance to the meaning of the various provisions of the national banking laws. He bases this assertion on the allegedly different purposes which the laws have, namely that the securities laws were enacted to protect the interests of investors while the banking laws were enacted to protect the country's credit and currency and the solvency of the national banks. This differentiation fails to focus upon the primary essence of the complete regulatory scheme which the Congress enacted to mitigate the problems that the country faced in the 1930s. Congress, after extensive investigation, realized that the financial community needed stabilization in order to overcome the debacle which arose in 1929 and to prevent any further recurrences. It would be inconsistent to conclude that Congress did not intend to obtain the equivalent meaning for the term "securities" as used in the Securities Act of 1933 when it used the term in the Glass-Steagall Act which was enacted by the same Congress.[13]

By finding that the Account is an equivalent investment vehicle to a mutual fund and that the units of participation are in fact securities, it is, therefore, necessary to determine whether or not the Bank is barred from these activities by the provisions of the Glass-Steagall Act, Sections 16, 20, 21 and 32, codified in 12 U.S.C. §§ 24, 377, 378 and 78 respectively.

The first relevant section is 12 U.S.C. § 24 dealing with the explicit powers granted to the national banks by the Congress. For our analysis only paragraph Seventh is pertinent. It states:

"To exercise by its board of directors or duly authorized offers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this chapter. The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities of stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. . . ."

The power of national banks to deal in securities has had a motley history, both legislatively and judicially. In 1823 the Supreme Court held that a prohibition against a national bank's trading and dealing in stocks was nothing more than a prohibition against engaging in the ordinary business of buying and selling stocks for a profit and it did not include purchases resulting from ordinary banking transactions. *Fleckner* v. *Bank of the United States*, 8 Wheat. 351, 21 U.S. 351 (1823). In *First National Bank* v. *Nat. Exchange Bank*, 92 U.S. 122 (1875), the Supreme Court stated that "Dealing in stocks is not expressly prohibited; but such a prohibition is implied from the failure to grant the power." 92 U.S. at 128. The Court in the *First National Bank* case was interpreting, Rev. Stat. § 5136, par. 7, 15; 15 Stat. 101 § 8, the forerunner of 12 U.S.C. § 24, par. 7 which delineated the powers of the national banks.

The limitation on the national bank's power in security dealings was reiterated in subsequent decisions of the Supreme Court. *Concord First National* v. *Hawkins*, 174 U.S. 371 (1898), *California Bank* v. *Kennedy*, 167 U.S. 362 (1897), *McCormick* v. *Market National Bank*, 165 U.S. 538 (1896); see also *Birdsell Mfg. Co.* v. *Anderson*, 20 F. Supp. 571 (W.D. Ky 1937) affirmed 104 F. 2d 340 (6th Cir. 1939), and *Michelsen* v. *Penney*, 135 F. 2d 409, 424 (2nd Cir. 1943).

This implied limitation caused the national banks to establish security affiliates, organized under state law, to profit from underwriting and dealing in stocks and other securities. In 1927 Congress passed the McFadden Act which added to the list of banking powers in paragraph Seventh of Section 5136 of the Revised Statutes the following proviso:

"Provided, that the business of buying and selling investment securities shall hereafter be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, copartnership, association, or corporation, in the form of bonds, notes and/or debentures, commonly known as investment securities, under such further definition of the term 'investment securities' as may by regulation be prescribed by the Comptroller of the Currency. . . . [Act of February 25, 1927 (McFadden Act), Section 2(b), 44 Stat. 1226]"

This proviso was intended to be a confirmation and a regulation of the investment security business which was being conducted by the banks through their security affiliates. *H.R. Rep. No. 83*, 69th Cong. 1st Sess. (1926). By the provisions of this Act, the national banks were authorized by statute to engage in the business of underwriting and dealing in investment securities

The storms looming on the horizon were not within the contemplation of very many people in 1927. It was not until 1931 when the Congress, graced with hindsight, sought the primary causes of the debacle which enveloped the country and had its repercussions throughout the world. The Congressional inquiry generated various statutes in an attempt to avoid a repetition of the debacle which had transpired. Among these statutes were the Glass-Steagall Act and the Securities Act of 1933.

The Glass-Steagall Act in particular redefined the powers of the national banks and imposed severe limitations on their activity in the investment security business by amending 12 U.S.C. § 24, P. 7, and adding 12

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[10] The exemptions which were granted are being challenged in the Court of Appeals for the District of Columbia Circuit, *National Association of Securities Dealers, Inc.*, v. *Security Exchange Commission*, Appeal No. 20, 164.

[11] The similarity between mutual funds and the Account have been noted by many authorities in the financial community, see *Hearings on S. 2704 on Collective Investment Funds Before the Subcommitee on Financial Institutions of the Senate Committee on Banking and Currency*, 89th Cong. 2d Sess. (1966); *University of Pensylvania Law School Conference on Mutual Funds*, 115 U.Pa.L.Rev. 669; and Comment, *Of Banks and Mutual Funds*, 20 Sw. L.J.

[12] See *Hearings on S. 2704* (1966) *supra*, at p. 55 and 56.

[13] The Federal Reserve Board has repeatedly ruled that participations or shares in mutual funds are securities for purposes of the Glass-Steagall Act, and it has similarly characterized the units of participation in the bank sponsored commingled managing agency account, Federal Reserve Board Legal Memorandum, "Legal Considerations Under Section 32 of the Banking Act of 1933 in Connection With the Proposed Commingled Investment Account of First National City Bank of New York" (Dec. 15, 1965) reprinted in *Hearings on S. 2704* (1966) at 581–588.

U.S.C. §§ 78, 377 and 378. Section 24, paragraph Seventh, has been noted above. The other relevant sections are noted below. Section 32 of the Glass-Steagall Act, now 12 U.S.C. § 78, provides:

"No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Board of Governors of the Federal Reserve System may allow such service by general regulations when in the judgment of the said Board it would not unduly influence the investment policies of such member bank or the advice it gives its customers regarding investments."

Section 20 of the Glass-Steagall Act, now 12 U.S.C. § 377, provides:

"After one year from June 16, 1933, no member bank shall be affiliated in any manner described in subsection (b) of section 221a of this title with any corporation, association, business trust, or other similar organization engaged principally in the issue, flotation underwriting, public sale, or distribution at wholesale or retail or through syndicated participation of stocks, bonds, debentures, notes, or other securities; *Provided*, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs.

"For every violation of this section the member bank involved shall be subject to a penalty not exceeding $1,000 per day for each day during which such violation continues. Such penalty may be assessed by the Board of Governors of the Federal Reserve System, in its discretion, and, when so assessed, may be collected by the Federal reserve bank by suit or otherwise.

"If any such violation shall continue for six calendar months after the member bank shall have been warned by the Board of Governors of the Federal Reserve System to discontinue the same, (a) in the case of a national bank, all the rights, privileges, and franchises granted to it under the National Bank Act, may be forfeited in the manner prescribed in sections 141, 222–225, 281–283, 285, 286, 501a, and 502 of this title, or, (b) in the case of a State member bank, all of its rights and privileges of membership in the Federal Reserve System may be forfeited in the manner prescribed in sections 321–329 and 330–338 of this title."

Section 21 of the Glass-Steagall Act, now 12 U.S.C. § 378, provides:

"(a) After the expiration of one year after June 16, 1933, it shall be unlawful—

"(1) For any person, firm, corporation, association, business trust, or other similar organization, engaged in the business of issuing, underwriting, selling, or distributing, at wholesale or retail, or through syndicate participation, stocks, bonds, debentures, notes, or other securities, to engage at the same time to any extent whatever in the business of receiving deposits subject to check or to repayment upon presentation of a passbook, certificate of deposit, or other evidence of debt, or upon request of the depositor: *Provided*, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 24 of this title: *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate;

* * * * *

"(b) Whoever shall willfully violate any of the provisions of this section shall upon conviction be fined not more than $5,000 or imprisoned not more than five years, or both, and any officer, director, employee, or agent of any person, firm, corporation, association, business trust, or other similar organization who knowingly participates in any such violation shall be punished by a like fine or imprisonment or both."

The obvious purpose of these legislative enactments was to divorce the banking business from the security investing business. Congress was so emphatic in promulgating this divorce, that it included a criminal provision to assure the efficacy and continuity of the separation; see 12 U.S.C. § 378(b), *supra*, and in some instances it imposed money penalties and forfeitures; see 12 U.S.C. § 377, *supra*. The many pages of legislative hearings reports which preceded the final enactment of the Glass-Steagall Act contain and outline the potential dangers which the involvement of commercial banking in the investment security business created.

These potential dangers were noted by the Comptroller of the Currency in his report of 1920, excerpts of which were cited by the Subcommittee of the Senate conducting the investigation:

"Some 'securities companies' operating in close connection with, and often officered by, the same men who manage the national banks with which they are allied, have become instruments of speculation and headquarters for promotions of all kinds of financial schemes. Many of the flotations promoted by the 'securities corporations' which are operated as adjuncts to national banks have proven disastrous to their subscribers, and have in some instances reflected seriously not only upon the credit and the standing of the 'securities companies' by which they are sponsored, but also in some cases have damaged the credit and reputation of national banks with which the 'securities companies' are allied.

"It has been established clearly by decisions of the United States Supreme Court that a national bank can not, except as authorized by the Federal reserve act, hold the stock of other national banks or the stock of other corporations; but these adjunct or auxiliary companies whose stockholders are identical with the stockholders of the national banks with which they are connected by various ties and devices frequently deal actively in stocks, and they also sometimes acquire the ownership or control of other banks, National and State, through their purchases.

"In times of rising prices and active speculation some of these auxiliary corporations have made large profits through their ventures and syndicate operations, but their losses in other periods have been heavy, and they have become an element of increasing peril to the banks with which they are associated. The business of legitimate banking is entirely separate and distinct from the kind of business conducted by many of the 'securities corporations', and it would be difficult, if not impossible, for the same set of officers to conduct safely, soundly, and successfully the conservative business of the national bank and at the same time direct and manage the speculative ventures and promotions of the ancillary institutions. These varying institutions demand a different kind of ability and experience on the part of those who manage them, and the two types of business when combined with one management are likely to be operated to the advantage of neither.

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"These ancillary companies are being used with increasing frequency for promotion of speculation and for dealing in bonds and stocks, often those of new and unseasoned issues, and which are attended with improper hazard risk, and as a means of enabling banks to do, indirectly through their instrumentality, things which they can neither safely nor lawfully do directly." [See *Hearings Pursuant to S. Res. 71 Before a Subcommittee of the Senate Committee on Banking and Currency*, 71st Cong. 3d Sess. pp. 1067–1068 (1931)]

The Senate Subcommittee Report also outlined the organization and functions of the security affiliates. Among one of these functions was the operation of investment trusts which bought and sold securities purely for investment or speculative purposes, *Hearings*, S. Res. 71, p. 1057. These investment trusts were the equivalent of our present day investment companies.[14]

Another drawback which the Subcommittee Report recognized was that "in the case of a trust company or a bank with a trust department, the possession of a security affiliate may adversely affect the independence with which fiduciary activities are exercised." *Hearings*, S. Res. 71, p. 1064.

There can be little doubt as to what Congress intended to do by the enactment of the Glass-Steagall provisions outlined above. Section 16, 12 U.S.C. § 24, par. 7 prohibits national banks from not only underwriting securities directly but also limits the capacity of the national banks in the purchase and sale of securities. *Awotin* v. *Atlas Exchange Bank*, 295 U.S. 209 (1935); cf. *U.S.* v. *Philadelphia National Bank*, 374 U.S. 231, 329 (1963), *First Natl. Bank* v. *Missouri*, 263 U.S. 640 (1923), *Genessee Trustee Corp.* v. *Smith*, 102 F. 2d 125, 127 (6th Cir. 1939), *Guaranty Trust Co.* v. *U.S.*, 44 F. Supp. 417, (E.D. Wash. 1942), affirmed 139 F. 2d 69 (9th Cir. 1943), *U.S.* v. *Palmer*, 28 F. Supp. 936 (S.D.N.Y. 1939). Section 20, 12 U.S.C. § 377 effectively provides that national banks may not be affiliated with an entity which is engaged principally in the business of purchasing, selling, or underwriting securities. Section 21, 12 U.S.C. § 378 specifically provides that it is unlawful for any entity which is engaged in the business of purchasing, selling, or underwriting to also be engaged in the banking business. Section 32, 12 U.S.C. § 78 prohibits banks and investment organizations from having interlocking directorates, and common officials and employees. Through this legislative scheme Congress intended to separate these previously integrated activities, and it made its intent explicitly clear. *Merchants National Bank* v. *Commissioner of Internal Revenue*, 199 F. 2d 657 (5th Cir. 1952), *Commissioner of Internal Revenue* v. *Merchants Nat. Bldg. Co.*, 131 F. 2d 741 (5th Cir. 1942), cf. *Paramount Pictures* v. *Langer*, 23 F. Supp. 890, 902 (D. N.D. 1938), reversed as moot 306 U.S. 619 (1938), *Morgan Stanley Co.* v. *S.E.C.*, 126 F. 2d 325, 329 (2nd Cir. 1942).

The Supreme Court has stated with specific relation to Section 32, 12 U.S.C. § 78, that "It [Section 32] is a preventive or prophylactic measure. The fact that respondents have been scrupulous in their relationship to the bank is therefore immaterial," *Board of Governors* v. *Agnew*, 329 U.S. 441, 449 (1946), see also *U.S.* v. *Brown*, 381 U.S. 437, 454 (1965). This "prophylactic" aspect of Section 32 is also inherent in Sections 20 and 21. This is effective legislation against temptation, *National Maritime Union of America* v. *Herzog*, 78 F. Supp. 146, 171 (D.C.D.C. 1948) affirmed

[14] *S.E.C.* Report on the Public Policy *Implications of Investment Company Growth, H.R. Rep. No. 2337*, 89th Cong. 2nd Sess. p. 33, Fn. 3 (1966).

334 U.S. 354 (1948), and it should not be derogated except by the Congress.

The Comptroller contends that the Account has been passed upon and approved by the Federal Reserve Board of Governors as far as its establishment would be contrary to the provisions of Section 32, 12 U.S.C. § 78.[15] In order to support its conclusion the Board promulgated a "single entity" theory, that is, that the Bank and the Account would constitute a single entity for the purposes of Section 32, since the Account would be regarded as nothing more than an arm or department of the Bank. This proposition seems to be based more on nuances of language than on the factual ascertainment of the relationship of the Account with the Bank. The Account is to be governed by an independent board of directors, the Committee, with full policy making authority. The Committee is elected by a majority of the units of participation in the Account and is responsible only to the investor-participants in the Account and not to the Bank. The Bank serves as investment adviser to the Account and also provides administrative services. It performs these services pursuant to a contract which conforms to the requirements of Section 15 of the Investment Company Act, 15 U.S.C. § 80a–15. The contract is terminable at any time, by either party, with sixty days notice and may be continued only upon annual approval of the investor-participants or of a majority of the Committee, including a majority of the members of the Committee not affiliated with the Bank. The contract will also terminate automatically if assigned by the Bank. When all these factors are taken into consideration, it is obvious that the Bank is contractually affiliated with the Account and cannot, therefore, be considered a department of the bank.[16] The prophylactic provisions of Section 32 prevents the Bank from being affiliated with the Account.

Furthermore, since it is the conclusion of this court that the Account is in fact an investment fund, the complementary provisions of Sections 20 and 21, 12 U.S.C. §§ 377 and 378, prohibit the Account from being affiliated with the Bank and the Bank from being affiliated with the Account.

The Comptroller further contends that the inherent dangers with which the integration of these financial activities was previously fraught are not present in the instant relationship, since the Bank only receives a set fee for managing the Account and does not obtain any remuneration from issuing or underwriting the units of participation. This limitation in probable expected remuneration to the Bank may mitigate the possible aggressive use of the Account by the Bank, but this does not override the clear and unequivocal Congressional mandate that national banks be divorced from investment organizations.[17]

It is a legislative process which determines the newly evolving circumstances which require a change in the statutes. The courts can only enforce and interpret the legislative enactments. The statutes presently in force do not allow a national bank to establish, operate, or be affiliated with an investment fund.

In view of the statements and conclusions made above, this court holds that the provisions of Regulation 9 which allow commingling of managing agency accounts do not comply with the statutory provision of the Glass-Steagall Act and are, therefore, illegal. The promulgation of these specific provisions allowing a commingling of managing agency accounts is also beyond the power of the Comptroller under Section 92a (a) of Title 12, and it is ordered to be set aside.

The summary judgment motion of the defendant is denied and motion of plaintiffs is granted.

Counsel for plaintiffs will submit an Order in accordance with the foregoing.

JOSEPH C. MCGARRAGHY,
Judge.

SEPTEMBER 27, 1967.

[15] *Hearings*, S. 2704 (1966) p. 580–588, *supra*.

[16] Under the provisions of the Account, the participants or a majority of the independent members of the Committee could sever relations with the Bank by electing not to renew the contractual management agreement; practically this may never occur; however, it is possible under the present structure of the Account.

[17] The possible conflicts of interests between the Account and other aspects of the bank's activities are still present, notwithstanding the precautions which were taken by the Comptroller in delineating the powers of the Account. See *Banks and Mutual Funds*, Comment, 20 Sw.L.J. 334, 341, 342.

RATS IN OUR URBAN CENTERS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VIGORITO] 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 Jersey?

There was no objection.

Mr. VIGORITO. Mr. Speaker, last week the House of Representatives, in passing the Mental Retardation Amendments of 1967, voted to attach an appropriation of $20 million which will be used to help our municipalities in combating the danger of rats in our urban centers.

Naturally, I am pleased that the House has taken this action. I think the measure, which is badly needed, is a step in the right direction and will lead to cleaner, healthier and safer cities for those who live, work and plan in them.

One of the "checks and balances" in this democratic society of ours is a free and enlightened press. A press which is responsible and which speaks out for the needs of our people is one of our greatest safeguards of liberty. Mr. Speaker, I would like to insert in the RECORD a short but cogent editorial from the Meadville Tribune, of Meadville, Pa., on the problem of rats in our cities:

NOT A BOONDOGGLE

Naive and unthinking Congressmen viewed as a ridiculous boondoggle the proposal that some $20 million be spent by the federal government for rat control. The project became the butt of jokes and wisecracks. By what stretch of the imagination should the federal government get into "that" business?

The attitude reflects an unfortunate cynicism and ignorance on the part of a good many lawmakers. It's easy to laugh; it's more difficult to understand.

Anyway, a flood of mail from an outraged public persuaded a majority of Congressmen to support the measure when it came up again and now the $20 million has been approved for rat control as part of a federal health program.

Congressman Joseph P. Vigorito, who was astute and understanding enough to vote for the measure in the first place, is warranted in pointing out that "some of those Congressmen who laughed at the bill two months ago changed their outlook rather suddenly after they started to receive mailbags full of letters from outraged constituents." He said it was an example of how voters can force a public awareness upon callous and unfeeling elected officials.

"The need for control of rodents in large metropolitan areas is obvious," Vigorito said, "yet some members of Congress had the gall to vote against the bill the first time. We are spending state and federal funds to protect our livestock from rodents and predatory animals. The least we can do is give our children the same protection we give cattle."

He pointed out, what many other Congressmen apparently did not realize, that rats inflict an estimated $900 million worth of property damage each year, and last year in seven cities 1,000 cases of ratbites were reported to health officials.

AIR QUALITY ACT OF 1967

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] 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 Jersey?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, the proposed Air Quality Act of 1967 is of great concern to all the people of the United States. Secretary Gardner underscored this in his recent testimony before the House Committee on Interstate and Foreign Commerce, when he said:

> It is now clear that the problem (of air pollution) will not yield to anything less than a full-scale concerted attack by both the private and the public sectors.

The Secretary noted that substantial progress has been made under the Clean Air Act; that the Department of Health, Education, and Welfare has several interstate air pollution abatement actions which will ultimately benefit millions of people; that the Department has published standards which will bring all new automobiles under control beginning this fall; that Federal research efforts have been expanded; and that, through the matching grants provision of the Clean Air Act, State and local programs have been able to increase their budgets from less than $13 million before its passage to approximately $26 million during the current year.

But the Nation's progress has been uneven. In spite of the advances we have made, most of us can still observe, in the places where we work and live, that the same smokestacks puff the same pollutants into the sky. We continually tell one another of the importance of controlling air pollution on a regional basis; but we search in vain for assurance that an effective regional program has actually been established anywhere in the country. As we drive to work in the morning we are still forced to inhale the same nauseating fumes from vehicular traffic.

Aware that our progress in this field has been halting and inadequate, President Johnson recommended last January that new legislation be adopted. In his message to the Congress, the President said:

> The pollution problem is getting worse. We are not even controlling today's level of pollution. Ten years from now, when industrial production and waste disposal have increased and the number of automobiles on our streets and highways exceeds 110

million, we shall have lost the battle for clean air—unless we strengthen our regulatory and research efforts now.

I want to take this opportunity to add my voice to those of President Johnson and Secretary Gardner in support of legislation which would give new impetus to Federal, State, and local efforts to control air pollution on a truly rational basis.

MAYOR JOSEPH A. DOORLEY, JR.—WAR ON POVERTY

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, one of the most dynamic and progressive mayors in our Nation is Joseph A. Doorley, Jr., mayor of the city of Providence, R.I.

Mayor Doorley's record of accomplishment in the 3 years he has been in office is outstanding, and his deep concern for all the people of his city—white and Negro, rich and poor—is evidenced by his perceptive and realistic approach to the problem of human needs.

His dedication to the war on poverty and his success in waging it have been models for other cities to follow. In that regard, I would like to insert at this point in the RECORD a statement made by Mayor Doorley on September 25 in which he analyzes the real difficulty facing those of us in Congress who stanchly support the Office of Economic Opportunity and its programs:

STATEMENT BY MAYOR JOSEPH A. DOORLEY, JR., PROVIDENCE, R.I., SEPTEMBER 25, 1967

The city has formulated and is now operating one of the most comprehensive programs in the Nation to combat poverty. We provide legal services, educational programs, consumer assistance, employment aid, and a host of other projects which are giving the alienated poor an opportunity which they never have shared in before.

The war on poverty is not an effort simply to support people or to make them dependent upon the generosity of others; it is designed to give the poor a chance to help themselves. Our program in Providence has made it possible for thousands of inner city inhabitants to secure a chance and an opportunity to rejoin the mainstream of American life and share in its affluence and prosperity.

Today's *Providence Journal* on page 28 reports that the anti-poverty bill pending in Congress is in trouble. And that trouble stems from Republican opposition to the bill.

Not too many days ago, the Policy Committee of the Republican Governors' Conference met in New York at the request of Governor Rockefeller. They discussed means of relaxing tension in the Nation's racial ghettoes. Their report charged that the Federal government had failed to allot sufficient funds for its programs dealing with urban poverty.

It is ironic that the Republican governors have so little influence over their Congressional representatives. It is also ironic that the Republican Party which only last August called for more aid to eliminate urban poverty now, one month later, is about to destroy the hope and aspiration of all the Nation's ghetto dwellers.

The politically motivated utterances of the Governors' Policy Committee show clearly that the Republicans are more interested in developing a national candidate than they are in helping the impoverished people of the Nation's cities.

The people of this city and those of every other city should marshal their resources in protest to the politically inspired conduct of the Republicans in Congress who are about to destroy this important program.

LEGISLATION TO EXTEND TARIFF QUOTA ON STAINLESS STEEL TABLE FLATWARE

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the floodtide of foreign imports and subsequent threat to our domestic industries has caused me to rise on many occasions to voice my opposition and offer legislation in an effort to remedy this insidious situation.

I have spoken in behalf of the rubber footwear and textile industries and, today, I rise in behalf of the stainless steel flatware industry. As is the case in the aforementioned industries, foreign imports have claimed a substantial number of jobs as our domestic industries endeavor to compete against low-wage foreign imports.

A Presidential proclamation, issued in 1959, set a tariff quota on stainless steel flatware. This quota has enabled our domestic flatware industry to remain operational as low-wage imports flow into our domestic market in ever-increasing numbers.

On October 10, just a few weeks away, this quota will expire. In view of the rising tide of low-wage foreign imports, it is absolutely necessary that this quota which, I might add, is most liberal, be maintained if our domestic flatware industry is to survive.

This industry constitutes a very important segment of our economy, particularly the economy of the State of Rhode Island. It has played a significant role in the development and preservation of a healthy economy and is indeed worthy of our assistance and protection.

Therefore, Mr. Speaker, I am introducing legislation to extend this quota for a period of 4 years. I ask that this esteemed body turn its attention to this crucial matter and act favorably and expeditiously on this legislation.

CAR VICTIM HAD DATE WITH SAFETY DRIVE

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. BOGGS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BOGGS. Mr. Speaker, in a tragic accident some weeks ago Dr. Walter J. Vinsant, his wife, and their 8-year-old daughter, Peggy, and Mr. James S. Parker of Slidell, La., were all killed.

Mrs. Vinsant had planned to go to the office of Mayor Victor Schiro in New Orleans the day after the tragic accident to receive a proclamation declaring Labor Day Weekend a Holiday Alert for Safe Drivers Crusade. She, of course, did not make it.

I include herewith a news story about this tragic event not only that others may know of this couple's tragedy, but also to point up the continuing need for safety on our highways:

CAR VICTIM HAD DATE WITH SAFETY DRIVE

Mrs. Marie Vinsant had planned to go to the mayor's office tomorrow to receive a proclamation declaring Labor Day weekend a Holiday Alert for Safe Drivers Crusade. But she died last night in a highway crash near Slidell, La.

She was to have distributed highway safety banners next week, but her husband's car smashed into the side of an out-of-control station wagon last night and she was killed.

So were her husband, Dr. Walter J. Vinsant, a Slidell optometrist, their 8-year-old daughter, Peggy, and the driver of the station wagon, James S. Parker, 37, of Slidell. Another Vinsant daughter, Susan, 11, was reported in a "satisfactory" condition at the Slidell hospital.

On Monday Dr. Vinsant had called Mayor Victor H. Schiro on behalf of Mrs. Vinsant, who was president of the Ladies' Auxiliary of the Louisiana State Association of Optometrists.

He had asked Mayor Schiro whether, instead of proclaiming usual Safe Driving Week for the dangerous Labor Day weekend, he would instead join with the Ladies' Auxiliary in a special effort to reduce the number of lives lost over the weekend in Louisiana.

He told the mayor that the ladies would hand out banners that would proclaim the safety crusade and urge motorists to take greater precautions. The banners would fly from automobile radio antennae as a reminder to other motorists.

Mayor Schiro was convinced. He told Dr. Vinsant that he would issue the proclamation tomorrow and asked that Mrs. Vinsant and another auxiliary officer be on hand to accept the scroll.

Dr. Vinsant, a personal friend of the mayor, followed up the next day with a letter.

The short letter thanked Schiro for his assistance and confirmed that Mrs. Vinsant and another auxiliary member would be in his office at 9:30 tomorrow morning to accept the proclamation.

By the time the mayor received the letter this morning, its message was already precluded.

Dr. Vinsant operated the Vision Care Center in Slidell, and in 1964 was president of the New Orleans Contact Lens Society.

The doctor was president of the Louisiana Optometric Association and immediate past governor of District 8-N, Lions International.

NATIONAL OCEANOGRAPHIC PROGRAM: CONCEPTS AND GOALS

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. LENNON] 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 Jersey?

There was no objection.

Mr. LENNON. Mr. Speaker, since August 17, the Subcommittee on Oceanography of the House Merchant Marine and Fisheries Committee has been holding hearings on the subject of this Nation's oceanographic program. By coincidence, August 17 was the first anniversary of the first meeting of the National Council on Marine Resources and Engineering Development. Consequently, I, as chairman of the Subcommittee on Oceanography, invited Vice President HUBERT H. HUMPHREY, as Chairman of the Marine Sciences Council, to present a summary of the Council's activities in carrying out provisions of the legislation, the Marine Resources and Engineering Development Act of 1966. The Vice President, who was unable to appear personally, submitted a letter, which was then read by Dr. Edward Wenk, Jr., Executive Secretary of the Marine Sciences Council.

The Vice President's letter establishes the broad perspective of the administration's concepts and goals for intensified activities associated with the sea. Under unanimous consent I insert this letter in the RECORD:

THE VICE PRESIDENT,
Washington, August 16, 1967.

Hon. ALTON LENNON,
Chairman, Subcommittee on Oceanography, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the National Council on Marine Resources and Engineering Development, I am pleased to respond to your invitation to review progress of the Federal Government during the past year toward implementation of the Marine Resources and Engineering Development Act.

The legislation was developed almost entirely through Congressional initiative and this first year of operating experience has confirmed the soundness of the organic Act, Public Law 89-454, and the amendment that established Sea Grant Colleges and Programs.

Shortly after signing Public Law 89-454, the President asked me to activate the Council and assume the statutory responsibility to advise and assist him in marine science affairs. The Council met first on August 17—exactly one year ago today—and has convened six times since that date. The President asked not only for action, but for immediate action. He requested that the Council review the recommendations of his Science Advisory Committee for more effective utilization of the sea and to submit both budget and legislative recommendations that could be embodied in his FY 1968 program. He also assigned to the Council the responsibility of preparing the annual report describing Federal marine science activities and budgets.

The President's initial recommendations set forth in his report to the Congress in March reflect our awareness that the benefits of the sea can and must increasingly serve the needs of our growing and increasingly urbanized society—the needs for food, minerals, energy, and recreation; for commerce and economic growth; and for strengthened national security and improved international understanding.

Let me briefly review some of these challenges that face our Nation and the world today:

There are one and one-half billion hungry people in the world. The full food potential of the seas, seriously neglected in the past, must be realized to combat famine and despair. Technologies now at hand can be directed toward increasing the world's fishing catch and enriching the diets of the underfed.

Seventy-five percent of our population lives along our coasts and Great Lakes. Nine of our fifteen largest metropolitan areas are on the oceans and Great Lakes and three are on ocean tributaries. Twenty million children live in these metropolitan areas within sight of potential water recreation areas but are often denied their use. Only three percent of our ocean and Great Lakes coastline has been set aside for public use or conservation.

More than 90 percent by value of our intercontinental commerce travels by ship. Although there have been rapid changes in the character of ocean cargoes and technologies of cargo handling, the average age of our port structures is 45 years and the average age of our merchant ships is 19 years.

The continuing threats to world peace require our Navy to maintain a high level of readiness and versatility through a sea based deterrent and undersea warfare capability. Middle East conflicts following closure of the Gulf of Aqaba vividly emphasize the urgent need for a strengthened code of international law of the sea.

Thirty million Americans swim in the oceans, eleven million are saltwater sport fishermen, and eight million engage in recreational boating in our coastal States, yet industrial wastes being dumped into ocean tributaries will increase seven-fold by the year 2000 unless there are drastic changes in waste handling.

Ocean-generated storms cause millions of dollars of damage annually along our coasts, but marine weather warning services are available to less than one-third of our coastal areas.

During the past year I have discussed these challenges with scientists, engineers, business leaders, and local, State, and Federal officials here in Washington, at oceanographic installations in nine coastal states, and in the capitals of six countries of Western Europe and one in Asia.

The problems of the sea are complex, and they involve every type of concern and institution that exists on the landward side of the shoreline. Thus, we must solicit the varied ideas, the advice, and the participation of universities, industry, and all elements of government, just as we have found this mixture an essential ingredient for the vitality and progress of our Nation on shore.

For seven years, the Congress and the scientific community have insisted on more intensive action to reap the benefits of the sea. Now the Administration is responding to the Congressional mandate—building on long-standing capacities within eleven Federal departments and agencies, and accelerating our progress with a new enthusiasm and determination, a new sense of direction and momentum. We are: identifying goals, and milestones to reach these goals; setting priorities; developing purposeful programs to bring our ocean interests into balance with our overall national interests; clarifying agency responsibilities to develop individual and collective capabilities; mobilizing our resources—Government, academic, and industrial.

We singled out a number of marine science areas for particular emphasis during FY 1968, and by concentrating diverse projects on a selected number of objectives have begun to obtain a greater effect from a still modest enterprise. We are critically examining the opportunities for FY 1969, realizing that current actions will significantly affect the course we chart during the next several years.

Certain of these programs are the responsibility of a single agency; but increasingly, new programs cross agency lines. The Council is taking steps to prevent unnecessary duplication and to ensure that program gaps do not occur.

We are fortunate to have a close association with the advisory Commission on Marine Science, Engineering, and Resources. While the Commission and the Council are independent, we are at the same time working harmoniously together toward common goals. We are looking forward to the Commission's recommendations to the President and to the Congress concerning a national plan and the most appropriate future structure of the Federal Government to carry out statutory purposes.

Most of the mysteries of the sea remain cloaked before us. Most of its resources remain untapped. Most of its potential to serve national goals remains unawakened. To realize this opportunity depends on a creative partnership of our Federal Government with States, with universities and research organizations, and with industry.

We also look forward to increased activities by other Nations with whom we seek further international cooperation and collaboration—in scientific research and in a framework of law by which the sea may serve all men.

Pure logic and practical economics dictate this program. However, not to be forgotten is man's compelling desire to explore and to understand the world around him. The spirit which has carried us to rugged mountain peaks, remote polar icecaps, and distant reaches of outerspace now propels us to the ocean deeps. This spirit is fortified with a confidence developed by past contributions of science that we will not only conquer the ocean deeps but will use them in satisfying the needs of our society.

In concluding, may I say how much I welcome this continuing interest by the Congress in what is both an enormously complex set of issues and an untapped set of opportunities to study and utilize the sea to serve man. This is a program that has support by both Executive and Legislative branches of Government, free of partisan controversy, and I look forward to our working further with the Congress in serving our mutual interests.

Sincerely,

HUBERT H. HUMPHREY.

MAILING NEEDS OF FINANCIAL INSTITUTIONS

Mr. PATTEN. 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 Jersey?

There was no objection.

Mr. PEPPER. Mr. Speaker, on September 14 and 15 of this year, Washington played host to the National Postal Forum. This meeting was called by the Postmaster General, Lawrence F. O'Brien to bring "superlative postal service" to our Nation's business. This meeting was a unique, a first-of-a-kind event. It is the hope of the Postmaster General that this forum will open new steps in communications which will establish, between business and the Government, a partnership for nationwide improved mail service.

At this conference, a distinguished associate of mine addressed this forum. Barbara Kingsley is the vice president of the Washington Federal Savings & Loan Association of Miami Beach, Fla. She is an outstanding community figure and

has done an incomparable job in the field of banking.

Mr. Speaker, I insert at this point in the CONGRESSIONAL RECORD the text of Barbara Kingsley's address on the "Mailing Needs of Financial Institutions." I know that my colleagues will find this most informative discussion.

MAILING NEEDS OF FINANCIAL INSTITUTIONS PANEL

(Address by Barbara Kingsley, vice president, Washington Federal Savings & Loan Association of Miami Beach, Fla.)

When I was invited to sit on this panel, I was asked for a list of topics for discussion that would be of interest. What a simple question, but how difficult to answer! Without any concentration at all, about two dozen ideas immediately came to mind . . . and most of them controversial! Anyway, of those I submitted, Mr. Cawley selected three, and so I shall confine myself to those.

The first deals with 1099 Forms. As I am sure you know, the preparation and sending of these forms is entirely a Government requirement. No benefit of any kind whatsoever inures to the senders, which include all financial institutions and, in fact any organizations which pays dividends or interest on customers' funds. So far as my organization, Washington Federal Saving and Loan Association, is concerned, it costs us thousands of dollars yearly for postage and labor. We are required to mail these forms first class to all depositors and the copies have to be mailed to the Treasury Department also first class. We pay dividends four times a year and even when accounts are closed during the year, and perhaps only one dividend has been paid, these records have to be kept in order to fulfill the Government requirement. In addition to the costs mentioned, there is also the necessity of coping with frantic telephone calls and correspondence from depositors who have lots their forms and who request duplicates for income tax purposes. Thus, this requirement of the Government is a never-ending source of aggravation and time consuming effort. And, to rub salt in the wound, the expense is borne wholly by the business organizations.

In the case of Government Savings Bonds which, as a gesture of courtesy to the Government, we sell and which, of course, are in direct competition to our own business, nevertheless we are able to mail them in an envelope provided by the Treasury and at Treasury expense and we believe the same should apply to the 1099 Forms. We also get a small fee when we redeem Savings Bonds.

Another condition imposed on us and similar institutions is that we mail these forms even to addresses which we know are no longer valid. In Miami Beach we have the highest transient population in the nation, and probably in the world. In spite of our appeals to our customers, which take every possible form, we can still do no better than maintain less than 90% accuracy in the customer addresses on record. It is not at all unusual for an account to be opened one day, a welcome letter to go out the same day and for it to be returned within a few days marked "Gone—No Forwarding". We have recently converted our savings accounts to an on-line computer operation, which is programed so that whenever there is action on such an account over the counter, the teller is alerted by a "beep" signal that the address is not valid and to request the new one. Nevertheless we have to mail out the 1099 Forms and, of course, they are returned to us. Then again, what are we supposed to do in the case of "No mail" accounts? In such cases, when the account is opened, we are specifically requested not to send any mail of any kind. It could be called a kind of invasion of privacy if we do so—but the Government requires that we mail the 1099 Form to all customers who have received dividends. Thus, we get the opprobrium of our customers, considerable expense on the exclusive behalf of the Government . . . and little else. We have asked the Post Office authorities if we couldn't even send the forms by third class mail, sealed, as is possible when such mailings are identical. And, of course, the forms are identical, except in the amount of dividends shown, and because of this we are forbidden to do so.

So that we do not end this particular subject on a sour note, and in an effort to show good will, we do try to get these forms prepared as long before the deadline of January 31st as is possible, so that they can be mailed during a Post Office slow period. I know this cooperation is appreciated by the Post Office officials because if the mailings all over the country are left until the end of January, you can well imagine how inundated they are. In fact, we try to schedule all our mass mailings in accordance with local Post Office requirements and we always alert them when we expect to be making one.

The second subject I have been asked to briefly discuss is the continuing and unexplained delay in receipt of mail from close-by areas, particularly month end mail, which is the end of the grace period for mortgage payment. All our mortgage payments are due on the first of each month and there is a 30 day grace period. A great many people leave the payment of bills to the last possible moment and if a mortgage payment is received after the grace period is over, there is penalty interest to pay. Of course, we get cries of anguish when this happens and not infrequently the complaint is that the check was mailed well before the end and "it was held up in the mails". Purely in self defense, we now hold all envelopes containing checks received the early part of the month, and it is not at all infrequent that two and sometimes three days have elapsed between the postmark date and receipt by us. This is *local* mail. This could well be due to the fact that in Miami Beach, for instance, and, in fact, a number of the municipalities in Dade County, where Miami Beach lies, a lot of the local mail has to go to another city to be sorted and then returned for delivery. May I suggest, therefore, in an effort to help solve this problem, that all organizations with similar problems use every opportunity to encourage their customers to mail early in the month.

The third subject I would like just to touch on is really not one that involves my organization as such, but it affects me personally and I am sure millions of others like me—and, particularly the Post Office, in whose behalf perhaps I am speaking more than anybody else's. Why is it not possible to get the bulk and third class mail users to purge their files of duplicates, triplicates, quadruplicates . . . and so on? I personally receive the same mailings at least two, and quite often up to five times. I was discussing this with a local Post Office official recently and he told me of a rather amusing incident. A bulk mail user complained bitterly about the expense to which he had been put in order to comply with the Post Office requirement that all his addresses be ZIP coded. I suppose a lot of us had similar complaints! However, subsequently, this complainant told the same Post Office official that he was delighted he was compelled to do it, because while the job was in progress it had been noted that there were hundreds of duplicates, triplicates, and so on and, in fact, in one case the same family was receiving eight identical mailings! In an expensive mailing the cost of these duplications can be enormous and it behooves all bulk mail users to regularly cull through their lists to clear them out—and, if you want to feel magnanimous about it—it would be of enormous help to the Post Office.

In spite of criticizing them, as I am sure we all do, nevertheless, and perhaps secretly, we sympathize with the fact that the United States mails handle more pieces than all other countries of the world put together—and though sometimes I feel I'd like to have a go at trying to solve some of their problems, when I think of the enormity of them, my heart quails. But I do believe they will be solved eventually. My father was an inventor and an engineer and he said something when I was quite small, which I have never forgotten. "There is no problem that cannot be solved—maybe neither you nor I will solve it, but somebody will. And let me add," he said, "if you have an opportunity to help solve a problem, be grateful for the challenge—there is no greater self-satisfaction than solving problems which other people gave up on." So, although I do my share of criticizing the Post Office, nevertheless I shall do my best to cooperate in any solutions that anybody cares to suggest that may be of help to the much maligned Post Office Department.

CULVER PROPOSES LEGISLATION TO OVERCOME CRITICAL SHORTAGE OF NURSES

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. CULVER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CULVER. Mr. Speaker, the increasing shortage of nurses in the Nation today is one of the most critical public health problems we face, and we must take action now to reverse these alarming trends.

Several years ago, the Surgeon General's Consultant Group on Nursing estimated that with the current rate of graduations, there would be 650,000 nurses in the United States by the end of 1969. But the same study group estimated that we would need 850,000 nurses by that time—or 200,000 more than we could reasonably expect. There is good reason to believe now that the gap may be even more serious.

Diploma nursing schools connected with hospitals have traditionally been the backbone of the nursing education program, and they produce 75 percent of our registered nurses.

Yet almost without exception, the diploma nursing school is confronted with serious financial problems. As a result, since 1959 over 120 such schools have been forced to close their doors. Other hospitals are forced to increase already high patient costs in order to make up the deficits caused by the training programs.

In addition, tuition costs have steadily risen, and as a result many potential students have been discouraged from pursuing nursing careers. This fall, there were nearly 4,500 vacancies in classes entering diploma schools.

It makes little sense for the Congress to fund programs to help build hospitals or provide medical care for senior citizens if there are not enough qualified nurses to staff the new facilities or to service the additional patient load.

It is for this reason that I am introducing legislation today to establish a 5-year program of aid specifically intended

to put diploma nursing schools back on a firm financial footing, and to enable them to build up their enrollments and alleviate the nursing shortage, without further increases in patient fees and tuition costs.

My proposal would provide annual grants ranging from $12,000 to $24,000 per school, based on enrollment, with additional $400 per pupil grants. Matching fund grants not to exceed $6,000 a year would also be available to improve library resources.

In addition, the legislation is designed to stimulate the development of comprehensive plans for nursing education, including development of facilities and recruitment of students, in each State.

Mr. Speaker, the superintendent of one of the major hospitals in my congressional district, which maintains a nurse-training program, has advised me that this bill, if enacted into law, would be "the most constructive possible piece of legislation to deal with the increasing nursing crisis."

I urge the prompt consideration of this legislation by the committee, and hope for early passage by the Congress to help insure that the urgent nationwide need for qualified nurses will be met.

BRAZILIANS EXPRESS GRATITUDE AND ADMIRATION FOR AMERICAN EFFORTS IN VIETNAM

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. CULVER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CULVER. Mr. Speaker, criticism of American involvement in Vietnam is readily noted, whether it comes from domestic sources or from abroad. All too often, however, favorable comments go unnoticed.

A recent editorial in A Tarde, a Brazilian newspaper, has been brought to my attention as a commentary on "the tenacity, inspiration, and bravery of the young American generation who risk their lives defending an ideal which made their country a truly universal symbol—the ideal of liberty."

According to this editorial:

> It is really admirable that a nation so tormented by such serious external and internal problems can still find the spiritual and material reserves, which seem inexhaustible, to help other peoples. . . . This example should be sufficiently dissuading to those who lightly presume that the United States is in a phase of incurrable decadence.

Regardless of one's own position on the war in Vietnam, this opinion from Latin America should be noted in maintaining perspective on American involvement there, and I place the entire text of the article at this point in the RECORD:

[From the Cedar Rapids Gazette, Sept. 4, 1967]

HIGH PRAISE TO WARM THE HEARTS OF ALL AMERICANS

(By Ray Cromley)

WASHINGTON.—Critics of U.S. policy in Vietnam should read and re-read the following editorial.

It was carried Aug. 7, 1967, in A Tarde, a newspaper in Sao Salvador, Bahia, Brazil.

The editorial says, in its own way, what this reporter has heard many American servicemen and civilians say in Vietnam. Men and women in Japan, the Philippines, Thailand, Hong Kong told me the same thing last fall.

SOMETIMES LOSE SIGHT

We sometimes lose sight of this in the daily budget of protest in the news.

Here then is the Brazilian editorial:

"The United States government is going to increase taxes by 10 percent to support the war in Vietnam. What this means for the western world is probably not well understood. But we shudder to think what a collapse of democracy in the Orient would signify . . .

"Fighting in Asia, in the swamps and jungles of Vietnam against ambushes of the Viet Cong, the North American people and their allies . . . are fulfilling a pledge not only to the South Vietnamese. The lives being sacrificed there are for the freedom of the whole world, because if they were to leave Vietnam, we would have the war on our own frontiers. . . .

WELL DEFINED

"An empire like the American one does not need to resort to territorial expansion. The Vietnam war has a well-defined ideological meaning and the fate of two different worlds is in balance there. . . .

"And now all of the American people are being called to contribute to this war. Giving their blood is not enough. It is also necessary for them to make a material contribution, from the national wealth, in favor of a long and tiring campaign with no end in sight.

"Whether or not one agrees with the reasons the United States is in Vietnam, one must admire the tenacity, inspiration and bravery of the young American generation who risk their lives defending an ideal which made their country a truly universal symbol—the ideal of liberty.

AMERICAN STOICISM

"The stoicism of the Americans in this war, in the face of accusations of all types and sometimes from those who should be fighting at their side, is impressive. For the responsibility for maintaining the status quo in Vietnam should fall much more to other countries than to the United States which is there defending interests which were not theirs and which led them into a war in defense of all democratic nations of the world.

"Nevertheless, the United States still considers itself committed to give economic help to the democratic nations, especially to the less-developed ones, in a second front in the war against communism.

"On this other front, the American people are also in the vanguard. Recent statistics show that in the past year more than 100 million Americans gave more than $13½ billion to help the well-being of others, whether in their own country or in other nations around the globe.

NO PARALLEL

"There is no parallel in all the history of mankind to this vast and substantial solidarity. Since the end of the second World war the United States has helped the world to free itself from poverty and has made great efforts to defend the dearest accomplishments of man and the self-determination of people. Devastated Europe was rebuilt under the Marshall Plan and many Asian, African and American nations have counted on the United States for substantial assistance in the fight against underdevelopment.

"It is really admirable that a nation so tormented by such serious external and internal problems can still find the spiritual and material reserves, which seem inexhaustible, to help other peoples. . . .

"This example should be sufficiently dissuading to those who lightly presume that the United States is in a phase of incurable decadence."

AIR POLLUTION CONTROL—A CHALLENGE FOR INTERGOVERNMENTAL COOPERATION

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. ROONEY] 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 Jersey?

There was no objection.

Mr. ROONEY of Pennsylvania. Mr. Speaker, I want to express my support of the air pollution bill reported by the Committee on Interstate and Foreign Commerce. I believe that this bill would establish the basis for a true partnership between the States and the Federal Government in dealing with the very serious problem of air pollution.

In his testimony on the bill, Dr. John T. Middleton, Director of the National Center for Air Pollution Control, noted that the implementation would hinge initially on State action to deal with air pollution problems within air quality control regions designated by the Department of Health, Education, and Welfare. The States would be responsible for setting air quality standards for such regions and for developing and implementing plans to meet those standards.

The Department of Health, Education, and Welfare would assist the States by publishing air quality criteria and information on recommended control technology; moreover, it would be given responsibility for determining whether State standards are adequate and consistent with the purposes of the bill. In addition, the Department would be empowered to initiate action to insure both the development and implementation of air quality standards if action at the State level is inadequate.

No one level of government—Federal, State, or local—can adequately or effectively deal with the problem of air pollution. It is inherently a regional problem that must be handled on a cooperative intergovernmental basis. The proposed Air Quality Act provides the necessary basis for such intergovernmental cooperation.

The administration is to be commended for its support of this legislation, which I believe will provide useful new tools for protecting the American people against the rising threat of air pollution.

THE TFX: BIGGEST BLUNDER IN OUR MILITARY HISTORY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. WAGGONNER] is recognized for 30 minutes.

Mr. WAGGONNER. Mr. Speaker, Robert S. McNamara will undoubtedly go down in history as the only Secretary of Defense who never did anything right in his entire tenure. He has, however, one ability that would be the envy of Dunninger and Houdini combined, the facil-

ity of mesmerizing the President of the United States.

More influential men than I have begged the President to call for his resignation. More knowledgeable men in the field of military tactics have opposed practicaly every move he has made. As a matter of fact, except for a few sycophants especially chosen for their limp spines, every ranking military commander and most privates, speak openly of his incompetence, his monumental ego, his absolute dedication to failure.

If the record needs to be established, the scandal of his handling of the TFX will serve. Five years and $12 billion since he was told that he was wrong in overruling every authority in the military field, the disgraceful story has been recapped by U.S. News & World Report of September 25.

It is terrifying to think that this capricious incompetent heads the defense system of the Nation. If we escape total annihilation because he is incapable of seeing to our defense, it will be no thanks to him. It will be an act of God.

The wretched history of the TFX is worth reading as a refresher for anyone who has forgotten the beginnings of the controversy 5 years ago.

The article referred to follows:

Troubles are piling up for the vast program to build the F-111 warplane and the chief architect of that program, Defense Secretary Robert S. McNamara.

Real alarm is spreading among Congressmen that the variable-wing F-111 is turning into a costly disaster—a fear consistently derided by Mr. McNamara and his principal aides.

Despite military misgivings, the F-111, once known as the "TFX," has been given a major role in future U.S. defenses. Britain and Australia were persuaded to buy the plane over objections of their own military men.

A 6-billion-dollar production program for the Air Force—now certain to cost at least twice that much, according to critics—has been launched by the U.S.

Within the past few weeks, fresh fears have been expressed on Capitol Hill about the entire program. Britain, miffed over other aspects of joint military plans with the U.S., is having some angry second thoughts about the F-111.

LIMITATIONS REVEALED

Dismay about the F-111 is based on questions raised by Senator John L. McClellan (Dem.), of Arkansas, and replies by Pentagon experts. Latest installment in this running debate appeared September 13 in a censored transcript of hearings held in mid-July by the Senate Subcommittee on Defense Appropriations.

From that testimony and other records made available to "U.S. News & World Report," these charges emerge:

The Air Force version scarcely can fly over Pikes Peak—altitude 14,110 feet—when fueled and fully loaded with bombs of the type used in Vietnam.

In the absence of an adequate speed brake, the F-111 cannot dogfight.

The engine is subject to flameouts—interruptions of its operation—when the power-boosting afterburner is used.

Because of wind resistance, the distance the Air Force F-111 can travel at more than the speed of sound on a low-level bomb run has been reduced by 75 per cent from that expected.

The intercontinental-ferry range is about 1,000 miles short of that originally planned.

All those problems of the Air Force plane, plus other troubles, plague the Navy's version of the F-111:

The Navy plane is nearly 10,000 pounds overweight and still unsuitable for carrier operations.

It is 11,000 feet shy of reaching its planned combat ceiling.

Navy pilots would be unable to use afterburners for added power and safety during launchings from 17 of the 24 catapults aboard the largest carriers.

The Navy plane needs a 19-knot "wind over deck" for carrier launching, instead of the minus 8 knots planned.

In brief, congressional investigators have technical reports that the F-111 has failed to meet the original specifications by wide margins.

Even so, Mr. McNamara is putting the Air Force F-111 into full production. A contract for 493 airframes, costing 1.8 billion dollars, was let for the Air Force to General Dynamics Corporation of Fort Worth, Tex., last May.

So far, Senator McClellan has blocked plans to produce the Navy plane.

ONE GOAL: VERSATILITY

As conceived, the F-111 was to be an all-purpose plane for both the Navy and Air Force.

It was to be a long-range bomber, a fighter, a missile-launching platform and a reconnaissance airplane.

Mr. McNamara told Congress in 1963 that by building such an aircraft he could save taxpayers 1 billion dollars.

The Air Force estimated in 1963 that it could buy 1,700 of the F-111s for 5.8 billion dollars, including 711 million for research and development.

There is testimony before the Senate Appropriations Subcommittee that the Air Force now plans to buy 400 fewer aircraft—1,300—and spend more than 12.4 billion dollars, including 2 billion in research costs. Even this figure is misleading. The Air Force calculates the ready-to-fly cost of each F-111 at 10 million, including 2 million for ground-support equipment. That comes to a total of 13 billion.

Senator McClellan has called the F-111 a multibillion-dollar blunder.

Until recently, public attention has been focused chiefly on the troubled Navy F-111.

Last month, however, Senator Carl T. Curtis (Rep.), of Nebraska, said: "There is growing discontent in the Air Force. . . ."

OVERWEIGHT, UNDERPOWERED

Senator Curtis and others have said that the Defense Department has been less than candid about the F-111 program. The Senator told colleagues last month:

"Basically, the TFX is an excellent aircraft for development as a small nuclear bomber, but its effectiveness ends there. It has no versatility for other uses, including strategic bombing and tactical fighting. The main problem is that it is overweight and underpowered."

Weight has been a problem for both Air Force and Navy. The Air Force version, fueled and armed with a 2,000-pound atomic bomb, weighs 81,400 pounds. When armed with 12 conventional 750-pound bombs, it weighs close to 90,000 pounds. The Navy F-111B has a mission-weight to 79,000 pounds. Weight, and resulting "drag" can be overcome by increasing power. But that increases fuel consumption.

A new engine under development for the F-111 will increase engine thrust by only 10 per cent.

The problems of the F-111 are seemingly endless. Senator McClellan reported to the Senate on August 22 that the Navy's preliminary evaluation of the airplane uncovered 104 deficiencies for which corrections were mandatory and 153 other deficiencies which needed correction on a high-priority basis.

By way of comparison, the Navy's initial evaluation of the A-7 attack bomber turned up only 18 major deficiencies.

From the Air Force viewpoint, the most critical defects are the reduction in what is known as "dash distance" and the plane's inability to dogfight.

When the Air Force version was planned, it was to have a combat radius of about 800 miles.

In approaching its target at extremely low altitudes—under 150 feet—to avoid radar detection, the airplane was to fly a certain number of miles at more than the speed of sound. The number of miles, called "dash distance," is secret.

Senator McClellan has informed members of the Appropriations Subcommittee that this "dash distance" has been cut 75 per cent by wind resistance.

IN A DOGFIGHT, GET OUT

At present, the Air Force F-111 lacks an adequate air-speed brake, one which would enable it to dogfight.

Senator McClellan once asked Lieut. Gen. James Ferguson of the Air Force what he would do if he encountered a MIG-21 while flying an F-111 over North Vietnam. General Ferguson, then military director of the Scientific Advisory Board, replied:

"I know what I would do. . . . I would go down on the deck and get out of there."

The Navy is worried by what is described in a technical report as the plane's instability in "a low-fuel configuration."

Upon returning from missions, tired pilots are going to have to land a tail-heavy plane, which has a tendency to yaw, on the pitching deck of a carrier, often at night.

INTERNATIONAL FUROR?

Beyond all this, there is the distinct possibility that the Air Force version may become the center of a quarrel involving Great Britain and Australia.

Both Great Britain and Australia have predicated their long-range defense plans on a successful F-111. Each has contracted tentatively to take 50 of the planes. Great Britain is putting up more than 850 million dollars.

In deciding to buy the F-111, Britain scrapped its advanced swept-wing airplane, the TSR-2. At the time, Britain had 18 of the planes in production and three undergoing flight tests. On the strength of the presumed ability of the F-111 to span continents, the British also decided to do away with aircraft carriers. Some of Britain's top military men quit in protest.

The F-111 is to be Britain's weapon for protecting its interests east of Suez.

For Australia, the F-111 is to provide strike capability deep into Southeast Asia and the Indian Ocean regions.

REBUFF FOR BRITAIN

The groundwork for international furor was laid by Congress last week when it voted to bar a British bid to build wood-hulled minesweepers, costing around 100 million dollars, for the U.S. Navy.

Part of Britain's price for agreeing to buy the F-111 was permission to compete for U.S. defense contracts.

"The Times" of London quoted British officials in Washington as saying the veto was "sufficient grounds to cancel the F-111 contracts. There are all sorts of problems with the airplane anyhow."

In London a British Defense Ministry spokesman said:

"Nothing is certain. . . . As it is at the moment, the F-111 deal is in jeopardy."

Senator Curtis has asked that the Senate Permanent Investigations Subcommittee, headed by Senator McClellan, reopen hearings on the F-111. The subcommittee has been keeping tabs on the F-111 since November, 1962.

Senator McClellan may accede to the request and resume hearings, probably next

spring. If so, the major question before the Subcommittee will be whether the Pentagon should be spending billions to produce the F-111 before it is really certain that the airplane will perform as originally intended.

A Pentagon nickname for the F-111: "McNamara's Albatross."

THE PARALLEL BAY BRIDGE AND THE J. E. GREINER CO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Maryland [Mr. LONG] is recognized for 15 minutes.

Mr. LONG of Maryland. Mr. Speaker, the House soon will vote on H.R. 11627, a bill to authorize certain Maryland toll projects, including a parallel bridge across the Chesapeake Bay—which the voters of Maryland rejected decisively last November on public referendum.

During the past 2 weeks, I have spoken of the relationship between this parallel bridge and the J. E. Greiner Co. You may recall certain disclosures concerning activities of this company in Pennsylvania and Florida.

In Pennsylvania, the J. E. Greiner partner who recently signed a report recommending a parallel bridge, was, along with another Greiner official, indicted earlier, in 1957, on a charge of "conspiracy to cheat and defraud the Pennsylvania Turnpike Commission of millions of dollars." Moreover, the Turnpike Commission dismissed the J. E. Greiner Co. as consulting engineers and brought a $7.7 million civil negligence suit against the firm. The two indicted officials escaped conviction, but the J. E. Greiner Co. paid the Pennsylvania Turnpike Commission to settle the civil suit out of court.

In Florida in 1965, a Florida grand jury ruled that fees charged by the J. E. Greiner Co. for engineering and designs for the Tampa Airport were "unduly excessive" by $907,000. Greiner's total fee for the Tampa project amounted to $2.4 million, of which the "excessive" $907,000 represented 37 percent.

In view of the imminent House action on H.R. 11627, and the imminent award of a consulting engineering contract for the parallel bay bridge to Greiner, I hereby place in the RECORD further information on the J. E. Greiner Co.; this time in connection with the Delaware River Joint Toll Bridge Commission, operating bridges between Pennsylvania and New Jersey:

In 1956, the J. E. Greiner Company, as consulting engineers to the Delaware River Joint Toll Bridge Commission, was found to have authorized over a period of years illegal payments of $181 thousand in public funds to Commission members and employees.[1]

Some of these requisitions for illegal payments to Commission members were signed by E. J. Donnelly, the Greiner Company partner who signed the firm's 1964 recommendation of the parallel Bay bridge in Maryland.[2]

In addition, Greiner Company authorized payment of additional public money for pleasure trips to Las Vegas and other cities;[3] for an extravagant party attended by friends of the Commission chairman at an Atlantic City hotel penthouse;[4] for hiring several Powers models to entertain guests at a reception;[5] and for purchase of a set of china costing over $4.3 thousand.[6]

These excesses authorized by the J. E. Greiner Company led to indictments by a grand jury of five Commission officials on charges of misuse of public funds and criminal conspiracy. As a result of these criminal prosecutions, and a number of civil suits, over $100 thousand in public money was recovered by the Commission.[7]

The chairman of a bi-state investigation committee observed that one $4 thousand party held by the Commission head "rivalled, if it did not outdo, the fantastic spendings of Diamond Jim Brady."[8]

Another feature of the investigation of the Delaware River Commission was the payment of $715 to Mrs. Nony E. Brandt for "stenographic services" never performed. Mrs. Brandt was actually a Philadelphia night club dancer billed as "TNT from Gay Paree."[9]

A confidential report on the Delaware River Commission made by the Pennsylvania Attorney General's office in 1956 reported that "during the years 1948 through 1955 the Greiner Company, by its own admission, received consulting engineering fees totalling almost $2,225,000. These fees included at least a 5 percent "overwrite" on expenditures from the Construction Fund of the Commission, as well as $40 thousand a year retainer. This does not include travelling expenditures submitted by the Greiner firm to the Commission.[10]

The re-formed Commission informed the Greiner Company on December 20, 1956, that it would subsequently pay only a $12 thousand annual retainer—or less than a third of the $40,000 the firm had been getting for retainer.[11]

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[1] *Trenton Times*, May 27, 1956. Article entitled: "Bridge Commission Sues Four to Recover Salaries." The Commission said a total of $181,000 was illegally paid to members of the executive committee from 1948 on. . . . See also, transcript of Executive Session of the Special Legislative Committee Investigating the Delaware River Joint Toll Bridge Commission, March 27 and 28, 1956. Pages 1044 to 1047; pages 909 to 911; quote minutes of Commission meetings at which E. J. Donnelly recommended increases in the illegal payments. See also, Requisition No. 1021, Dated November 6, 1952, of Delaware River Bridge Construction Fund, signed by E. J. Donnelly of the J. E. Greiner Company, directing payment for payroll purposes. Greiner officials approved all payroll expenditures out of the construction fund.

[2] See requisition form No. 1021, signed by Donnelly, in footnote No. 1. See also microfilm of Delaware River Commission payroll journal sheet, files of Commission, showing payment to Alex R. Miller, former chairman, for eight days at $50 a day. $200 charged to Requisition No. 1021 on "Trenton E Account," $200 charged to another account on another Requisition No.

[3] Delaware River Bridges Construction Fund Requisition No. 1069, signed March 10, 1955, by W. H. Pahl of the J. E. Greiner Company, showing payment of $873.64 to United Air Lines, Inc. Bill No. 3576, which corresponds to this requisition, lists flight to Las Vegas and other cities. Transcript of Public Hearing, in the matter of the Investigation of the DRJTBC, Tuesday, May 8, 1956, in the Supreme Court Room, State Capitol Building, Harrisburg, Pa. Page 40 et seq.:

"Q. Did you have any purpose in going to Las Vegas in order to transact Commission business? Was there any busines that you had to transact there for the Commission?

"A. (By Alex R. Miller, former chairman) We were not transacting any business for the Commission.

"Q. But still it was at Commission expense?

"A. It was an incidental trip.

"Q. What were you there as?

"A. Sightseer.

"Q. Isn't it peculiar to be a sightseer on Commission expense?

"A. I don't look at it that way."

[4] Transcript of Public Hearing in the matter of the Investigation of the DRJTBC, Wednesday, May 2, 1956, in the County Court House, Easton, Pa., Page 6. This party for Chairman Miller's friends cost the Commission $4,030.46.

[5] Delaware River Bridges Construction Fund Requisition No. 902, signed by W. H. Pahl of the J. E. Greiner Company, Jan. 18, 1954, includes payment of $477.31 to John Robert Powers (model) Agency Corp. Corresponding invoice, bill No. 3093, itemizes the payment as "to appearance (including expenses) seven models at the ceremonies and dinner dedicating the Delaware Water Gap Bridge, on Dec. 16, 1953."

[6] Delaware River Bridges Construction Fund Requisition No. 1310, signed by the late H. H. Allen of the J. E. Greiner Company, for payment of $4,346.22 for a set of Lenox China. See also Pennsylvania State Police File No. DD 1179, Nov. 19, 1956. Memo on return of true bills returned by Grand Jury at Doylestown, Bucks County, Pa.:

Leslie Brown—Violation of Penal Code, Section 682 (Sale of China). See also, Trenton Times, Sept. 12, 1956. Mr. Brown, who succeeded Miller as chairman, was president of the Lenox corporation which made the set of china.

[7] See State Police Memo above in footnote #6, also progress reports on repayment of money by various officials from State Police file on Delaware River Bridges investigation. The criminal prosecutions which helped to gain repayment were nol prossed, as the Commonwealth of Pennsylvania was unable to bring Miller—the key witness—to trial because of his heart condition. He died in 1961 in a New York City hotel room after having repaid $74 thousand to the Commission.

[8] See May 2, 1956, public hearing at Easton, Pa. referred to earlier. Page 6. State Senator Joseph Yosko was chairman of the Investigating Committee, aided by officials of the Attorney General's offices of Pennsylvania and New Jersey.

[9] *Trenton Times*, Aug. 7, 1956. Article entitled "$2,500 Bail Set for 4 in Bridge Quiz." See also criminal indictments referred to earlier: R. Chapman Carver—misuse of public funds (alleged steno services). Miss Brandt (TNT) was last officially reported to be living in Berne, Switzerland.

[10] Pennsylvania State Police files on Delaware River Bridges investigation.

[11] Minutes of Commission, Dec. 20, 1956.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN, for September 28 and October 2, on account of official business.

Mr. BUTTON (at the request of Mr. GERALD R. FORD), for the remainder of the week, on account of official business.

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. SAYLOR, today, for 30 minutes; and to revise and extend his remarks and to include extraneous matter.

Mr. RYAN, for 20 minutes, today; to

revise and extend his remarks and include extraneous matter.

Mr. WAGGONNER (at the request of Mr. PATTEN), for 30 minutes, today.

Mr. LONG of Maryland (at the request of Mr. PATTEN), for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today; to revise and extend his remarks and to include pertinent extraneous matter.

(The following Members (at the request of Mr. MICHEL) to revise and extend their remarks and to include extraneous matter:)

Mr. MICHEL, for 5 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. RHODES of Arizona, for 30 minutes, on October 3.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. MILLER of California.

(The following Members (at the request of Mr. SCHERLE) and to include extraneous matter:)

Mr. ADAIR.

Mr. COWGER.

Mr. KLEPPE.

(The following Members (at the request of Mr. PATTEN) and to include extraneous matter:)

Mr. FRASER.

Mr. RONAN.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13026. An act to extend through March 1968 the first general enrollment period under part B of title XVIII of the Social Security Act (relating to supplementary medical insurance benefits for the aged), and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1862. An act to amend the authorizing legislation on the Small Business Administration, and for other purposes.

ADJOURNMENT

Mr. PATTEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Friday, September 29, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1109. A letter from the National Advisory Council on International Monetary and Financial Policies, transmitting the special report of the National Advisory Council on International Monetary and Financial Policies, special funds of the Asian Development Bank (H. Doc. No. 166); to the Committee on Banking and Currency and ordered to be printed.

1110. A letter from the Secretary of the Army, transmitting the semiannual report of contracts for military construction awarded without formal advertisement, covering the period January 1 through June 30, 1967, pursuant to the provisions of Public Law 89-568; to the Committee on Armed Services.

1111. A letter from the Acting Secretary of the Treasury, transmitting a report listing claims settled in fiscal year 1967, pursuant to the provisions of Public Law 88-558; to the Committee on the Judiciary.

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. DULSKI: Committee on Post Office and Civil Service. H.R. 7977. A bill to adjust certain postage rates, and for other purposes; with amendment (Rept. No. 722). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE of Illinois: Committee on Armed Services. H.R. 4903. A bill to amend the act providing for the economic and social development in the Ryukyu Islands (Rept. No. 723). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 853. Joint resolution making continuing appropriations for the fiscal year 1968, and for other purposes (Rept. No. 724). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 13187. A bill to amend section 27 of the Merchant Marine Act, 1920, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLIER:

H.R. 13188. A bill to amend the Economic Opportunity Act of 1964 to prohibit projects and programs which compete with private retail and wholesale businesses; to the Committee on Education and Labor.

H.R. 13189. A bill to amend the Economic Opportunity Act of 1964 to prohibit programs and projects involving the publication of newspapers in competition with private newspapers; to the Committee on Education and Labor.

By Mr. CONABLE:

H.R. 13190. A bill to amend the Internal Revenue Code of 1954 to provide that certain awards in recognition of outstanding achievement in the field of sports shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 13191. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the independence of the Baltic States (Estonia, Latvia, and Lithuania); to the Committee on Post Office and Civil Service.

By Mr. DENT (for himself and Mr. SCHADEBERG):

H.R. 13192. A bill to amend the Fair Labor Standards Act of 1938 to exempt certain employees of boat sales establishments from the overtime compensation requirements of that act; to the Committee on Education and Labor.

By Mr. DULSKI (by request):

H.R. 13193. A bill to amend title 38 of the United States Code so as to extend the period of entitlement of persons entitled to assistance under the veterans' educational assistance program and the war orphans' educational assistance program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FRASER:

H.R. 13194. A bill to provide day care for children from low-income families, and for other purposes; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 13195. A bill to alleviate certain hardships to employees in the administration of the Federal Employees' Compensation Act, and for other purposes; to the Committee on Education and Labor.

By Mr. FRASER:

H.R. 13196. A bill to create new employment opportunities and to improve manpower and training programs for the unemployed and underemployed; to the Committee on Education and Labor.

By Mr. FULTON of Tennessee:

H.R. 13197. A bill to amend title 39, United States Code, with respect to use of the mails to obtain money or property under false representations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 13198. A bill to provide for reports of committees of Congress on the personnel of such committees, and for other purposes; to the Committee on Rules.

By Mr. HICKS:

H.R. 13199. A bill to amend section 27 of the Merchant Marine Act, 1920, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUNAGA:

H.R. 13200. A bill to amend the Merchant Marine Act, 1936, with respect to the development of cargo container vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLER of California:

H.R. 13201. A bill to amend the Merchant Marine Act, 1936, wth respect to the development of cargo container vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLER of Ohio:

H.R. 13202. 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. MULTER:

H.R. 13203. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to abolish the rank of detective in the Metropolitan Police force, and to promote persons with such rank to the rank of detective sergeant; to the Committee on the District of Columbia.

By Mr. OTTINGER:

H.R. 13204. A bill to amend the Federal Aviation Act of 1958 to authorize rules and regulations designed to relieve air traffic congestion at airports having a high density of air traffic; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H.R. 13205. A bill to extend the tariff quota treatment for certain stainless steel table

flatware; to the Committee on Ways and Means.

By Mr. ST. ONGE:

H.R. 13206. A bill to develop business and employment opportunities in smaller cities and areas of unemployment and underemployment by providing certain preferences for prospective Government contractors in such cities and areas; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

H.R. 13207. A bill to amend the act of November 8, 1965, relating to liability for civil damages as a result of acts or omissions at the scene of an accident; to the Committee on the District of Columbia.

H.R. 13208. A bill to provide for the compensation of persons injured by certain criminal acts; to the Committee on the Judiciary.

By Mr. STUBBLEFIELD (for himself, Mr. ICHORD, Mr. HULL, and Mr. WALKER):

H.R. 13209. A bill to authorize the Secretary of Agriculture to cooperate with and furnish financial and other assistance to States and other public bodies and organizations in establishing a system for the prevention, control, and suppression of fires in rural areas, and for other purposes; to the Committee on Agriculture.

By Mr. STUBBLEFIELD:

H.R. 13210. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. TUNNEY:

H.R. 13211. A bill to create in the Executive Office of the President a Council of Ecological Advisers; to the Committee on Science and Astronautics.

By Mr. UTT (for himself, Mr. BOB WILSON and Mr. VAN DEERLIN):

H.R. 13212. A bill to provide for the striking of medals in commemoration of the 200th anniversary of the founding of San Diego; to the Committee on Banking and Currency.

By Mr. ZWACH:

H.R. 13213. 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.

H.R. 13214. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. BROWN of Ohio:

H.R. 13215. A bill to amend section 1072(2)(F) of title 10, United States Code, to include other than natural parents and parents-in-law within the category of dependents eligible for medical care; to the Committee on Armed Services.

By Mr. CULVER:

H.R. 13216. A bill to amend the Nurse Training Act of 1964 to provide for increased assistance to hospital diploma schools of nursing; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 13217. A bill to authorize the appropriation of $200 million for a U.S. contribution to multilateral special funds of the Asian Development Bank; to the Committee on Banking and Currency.

By Mr. ST GERMAIN:

H.R. 13218. A bill to extend the tariff quota treatment for certain stainless steel table flatware; to the Committee on Ways and Means.

By Mr. TALCOTT:

H.R. 13219. A bill to amend the Federal Cigarette Labeling and Advertising Act with respect to the labeling of packages of cigarettes and for other purposes; and to amend the Communications Act of 1934 to prohibit the broadcasting of advertisements for tobacco products during certain periods; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO (for himself and Mr. BRASCO):

H.R. 13220. 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 Interstate and Foreign Commerce.

By Mr. CULVER:

H.R. 13221. A bill to amend the act of December 21, 1944, relating to the City of Clinton Bridge Commission; to the Committee on Public Works.

By Mr. HERLONG (for himself, Mr. SCHNEEBELI, Mr. UTT, and Mr. COLLIER):

H.R. 13222. 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. MORTON:

H.R. 13223. A bill to amend the Merchant Marine Act, 1936, with respect to the development of cargo container vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 13224. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. NELSEN:

H.R. 13225. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 853. Joint resolution making continuing appropriations for the fiscal year 1968, and for other purposes; to the Committee on Appropriations.

By Mr. GARMATZ (for himself, Mr. MAILLIARD, Mrs. GREEN of Oregon, Mr. ROGERS of Florida, Mr. ASHLEY, Mr. DOW, Mr. KARTH, Mr. HATHAWAY, Mr. CLARK, Mr. ST. ONGE, Mr. JONES of North Carolina, Mr. PELLY, Mr. KEITH, Mr. EDWARDS of Alabama, Mr. SCHADEBERG, Mr. ROTH, and Mr. DELLENBACK):

H.J. Res. 854. Joint resolution to provide for a study of the resources of the ocean floor by the National Council on Marine Resources and Engineering Development, and to prevent certain premature actions which might adversely affect the interests of the United States in such resources; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL:

H.J. Res. 855. Joint resolution to provide for a study of the resources of the ocean floor by the National Council on Marine Resources and Engineering Development, and to prevent certain premature actions which might adversely affect the interests of the United States in such resources; to the Committee on Merchant Marine and Fisheries.

H.J. Res. 856. Joint resolution in opposition to vesting title to the ocean floor in the United Nations; to the Committee on Foreign Affairs.

By Mr. MOSHER (for himself, Mrs. SULLIVAN, Mr. DINGELL, Mr. BYRNE of Pennsylvania, Mr. STUBBLEFIELD, Mr. MURPHY of New York, Mr. HELSTOSKI, Mr. GROVER, Mr. MORTON, Mr. WATKINS, Mr. RUPPE, and Mr. BUTTON):

H.J. Res. 857. Joint resolution to provide for a study of the resources of the ocean floor by the National Council on Marine Resources and Engineering Development, and to prevent certain premature actions which might adversely affect the interests of the United States in such resources; to the Committee on Merchant Marine and Fisheries.

By Mr. FULTON of Pennsylvania:

H.J. Res. 858. Joint resolution amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PATMAN (for himself, Mr. WIDNALL, and Mr. BARRETT):

H.J. Res. 859. Joint resolution extending for 1 year the emergency provisions of the urban mass transportation program; to the Committee on Banking and Currency.

By Mr. YATES:

H.J. Res. 860. Joint resolution authorizing participation by the United States in parliamentary conferences with Japan; to the Committee on Foreign Affairs.

By Mr. WYMAN:

H. Con. Res. 514. Concurrent resolution providing for a joint session to hear a former Vietcong prisoner of war; to the Committee on Rules.

By Mr. O'HARA of Michigan:

H. Res. 935. Resolution amending the Rules of the House of Representatives to set aside a portion of the gallery for the use of scholars engaged in studies of the House of Representatives; to the Committee on Rules.

By Mr. SMITH of Iowa (for himself, Mr. STUBBLEFIELD, Mr. MORRIS, Mr. SLACK, Mr. WALDIE, and Mr. HUNGATE):

H. Res. 936. Resolution creating a select committee to study the impact of East-West trade and assistance to nations which support aggression, directly or indirectly; to the Committee on Rules.

By Mr. ADAIR (for himself, Mr. BERRY, Mr. PELLY, Mr. LUKENS, and Mr. GOODLING):

H. Res. 937. Resolution creating a select committee to study the impact of East-West trade and assistance to nations which support aggression, directly or indirectly; 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 Mrs. KELLY:

H.R. 13226. A bill for the relief of Isaac, Berta, and Chaya Eichenstein; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 13227. 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. OLSEN:

H.R. 13228. A bill for the relief of Joseph P. Hennessey; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 13229. A bill for the relief of Clemente F. Astudillo; to the Commitee on the Judiciary.

By Mr. PHILBIN:

H.R. 13230. A bill for the relief of Thomas K. Lomas; to the Committee on the Judiciary.

H.R. 13231. A bill for the relief of Ashwani Kumar; to the Committee on the Judiciary.

By Mr. RUPPE:

H.R. 13232. A bill for the relief of David L. Blair; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 13233. A bill for the relief of Nemesio Gomez-Sanchez; to the Committee on the Judiciary.

By Mr. TENZER:

H.R. 13234. A bill for the relief of Mauro Zaino and his wife, Maria Zaino; to the Committee on the Judiciary.

H.R. 13235. A bill for the relief of Oscar Esparza and his wife, Lydia Esparza; to the Committee on the Judiciary.

H.R. 13236. A bill for the relief of Filippo Villano; to the Committee on the Judiciary.