would, in equally undeniable truth, have strangled the anti-Communist counter-revolution in Indonesia.

Mr. President, I ask unanimous consent to have printed in the RECORD this very pertinent article, published in the Washington Post for Wednesday, October 18, 1967.

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

INDONESIA SEEN AS DIVIDEND ON STRONG POLICY IN VIETNAM

Indonesia, which only yesterday lay open to the shadow of Asian communism, has now effectively broken all relations with Red China.

Thus sealed beyond doubt is a counter-victory for the anti-Communist world so immense—since Indonesia is the sixth largest nation on this globe—as to be all but comparable to the tragic loss to that world of mainland China a generation ago.

This historic overturn, moreover, could not conceivably have been possible had not the United States persisted through three presidential administrations with its pledge not to let the cornerstone of Southeast Asia fall to Communist aggression in Vietnam.

Determined resistance in Vietnam demonstrably shored up those forces which have at last expelled the Chinese shadow from Indonesia. American weakness in Vietnam would, in equally undeniable truth, have strangled the anti-Communist counter-revolution in Indonesia.

But who can hear of Indonesia now amid the shrill clamors of a bitter minority which seeks at any cost to discredit that policy in Vietnam? The peaceniks, the soft-liners, have other things to speak of. And they have men, as well as policies to destroy.

Secretary of State Dean Rusk recently tried to explain that a Chinese colossus publicly pledged to Asian-wide and even world-wide aggression is a fearful fact of life which America really cannot ignore. And what is the consequence of this brazen effort to answer the endless attacks of the peacenik minority?

The reply is the most savage of the sneer-smear techniques, the huckster-slogans, yet hurled by men whose "right to dissent" is being so cruelly suppressed that even the draft-dodgers they encourage are sometimes actually arrested for attempting physically to obstruct the induction of other young men willing to fight for their country.

The new line is that Rusk, in exercising his elementary duty to explain the policy considerations of the Government, is raising the shabby banner of a "Yellow Peril" in Asia. This is sneer and smear, indeed. For, of course, the term "Yellow Peril" was disreputable a lifetime ago. The term was not remotely used by Rusk in the first place, nor is it remotely relevant to his case.

By innuendo, this man who under cruel beating from the left is attempting to save colored peoples in Asia from invasion and murder is himself made into an anti-yellow racist.

It does not matter to the peaceniks that every colored nation which is under the gun in Southeast Asia—not to mention white Australia and New Zealand—very clearly sees a very real Red Chinese, and not a "yellow," peril to its safety. It does not matter that Australia and New Zealand even now are thus increasing their troop commitments to Vietnam. It does not matter that the distinctly left-wing, and not right-wing, and undeniably dark, and not light, Prime Minister of Singapore is even now in Washington to testify that the Red Peril is Red indeed and present indeed.

No, it is not a Yellow Peril here; but it is something else. It is yellow journalism at its yellowest. It is to treat a somber exposition of world realities by the honorable official charged to conduct a foreign policy with a form of verbal abuse that lies on the intellectual level of a television commercial for mouth-wash.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR BYRD OF WEST VIRGINIA

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that immediately following the transaction of morning business on tomorrow, I be permitted to speak for 20 minutes.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 51 minutes p.m.) the Senate adjourned until tomorrow, Thursday, October 19, 1967, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate, October 18, 1967:

IN THE AIR FORCE

Lt. Gen. Richard L. Bohannon, FR19067 (major general, Regular Air Force, Medical), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general under the provisions of section 8962, title 10 of the United States Code.

Maj. Gen. Kenneth E. Pletcher, FR19136, Regular Air Force, Medical, for appointment as Surgeon General of the Air Force in the grade of lieutenant general for the period beginning from December 1, 1967, and ending on April 30, 1970. This nomination is made under the provisions of section 8036, title 10 of the United States Code.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 18, 1967:

AMBASSADORS

George J. Feldman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

Harrison M. Symmes, of North Carolina, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

Hugh H. Smythe, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

L. Dean Brown, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to The Gambia.

UNITED NATIONS

Roger W. Tubby, of New York, to be the representative of the United States of America to the European Office of the United Nations, with the rank of Ambassador.

IN THE COAST GUARD

The nominations beginning William W. Peterman, to be lieutenant (jg.), and ending Marcus L. Lowe, to be lieutenant (jg.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 16, 1967.

HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 18, 1967

The House met at 12 o'clock noon.

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

When you pray, say, Our Father.—Luke 11: 2.

Eternal God, our Father, who has set eternity in our souls, the spirit of love in our hearts, and a song of praise on our lips, in the quiet hush of this moment we bow at the altar of prayer.

We come at the call of our President to pray and to pray for the people of our land. Pour out Thy spirit upon us and join us together in greater loyalty to our Nation, in greater justice to our fellow man, and in greater faith in Thee. Keep us faithful in the defense of freedom, and with courage and confidence may we preserve and promote the blessings of liberty everywhere.

Enlighten the minds of our people that we may work together to remove inequalities, to reduce friction, to renounce prejudice, and by the strength of Thy spirit may we foster an increasing good will in the hearts of all. Help us to take the law into our hearts and not into our hands and to respect the rights of all men. In the Master's name we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House to a joint resolution of the Senate of the following title:

S.J. Res. 112. Joint resolution extending the time for filing report of Commission on Urban Problems.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1788) entitled "An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments," with an amendment in which concurrence of the House is requested.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 889) entitled "An act to designate the San Rafael Wilderness, Los Padres National Forest,

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in the State of California," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. ANDERSON, Mr. CHURCH, Mr. KUCHEL, and Mr. ALLOTT to be the conferee on the part of the Senate.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. MONRONEY and Mr. CARLSON members of the Joint Select Committee on the part of the Senate for the Disposition of Executive Papers referred to in the report of the Archivist of the United States numbered 68–5.

CALL OF THE HOUSE

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

Mr. 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. 317]

Boggs	Jonas	Rees
Bolton	Jones, Mo.	Sandman
Broomfield	Kazen	St. Onge
Button	Laird	Smith, N.Y.
Culver	Landrum	Stephens
Dawson	Latta	Talcott
Ford, William D.	Moorhead	Teague, Tex.
	Morton	Utt
Fountain	Patman	Williams, Miss.
Hébert	Pool	Willis
Herlong	Rarick	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

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

SEIZURE OF FOREIGN VESSEL ILLEGALLY FISHING IN ALASKAN WATERS

Mr. POLLOCK. 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 Alaska?

There was no objection.

Mr. POLLOCK. Mr. Speaker, I take this occasion to advise my colleagues in the Congress that for the fourth time this year the U.S. Coast Guard has seized a foreign vessel in Alaskan waters fishing illegally.

This morning the U.S. Coast Guard cutter *Confidence* seized the 160-foot *Eitan Maru* No. 248, a 533-ton, longline fishing vessel. The *Eitan Maru* at the time of seizure had a cargo of 2½ tons of halibut, 4 tons of perch and 100 tons of black cod.

This is a case of first instance in that the Japanese vessel was not seized within the 3-mile or 12-mile limits of U.S. waters off the coast of Alaska, but was rather seized on the high seas, 60 miles southwest of Middleton Island because of violation of the International Convention for the High Seas Fisheries of the North Pacific Ocean.

The violation of international law concerned the catching of halibut in these waters. Apparently the vessel had many skates of longlines out, for the *Confidence* had to stand by for a period of 10 hours after seizure while the gear was retrieved and hoisted aboard.

Under terms of the International Convention, the seized vessel is to be taken to a port mutually agreed upon by the seizing nation and the nation of the violator, at which point the officers and crew under arrest and the seized vessel are turned over to authorities of the country whose flag the violating vessel was flying. In other words, the skipper and crew and the *Eitan Maru* No. 248 will be turned over to Japanese authorities for prosecution of both their internal and international law. It is estimated that the seized vessel will arrive in Kodiak, Alaska, sometime tomorrow morning.

It is obvious that these fishing violations are of a serious nature, there have now been two Russian violations and two Japanese violations. It is my feeling that the State Department should follow this matter closely to insure that the master of the vessel is severely fined and punished for this international violation.

ALASKA DAY

Mr. POLLOCK. 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 Alaska?

There was no objection.

Mr. POLLOCK. Mr. Speaker, I take great pleasure in advising my colleagues in the House of Representatives that today is Alaska Day and the 100th anniversary of the occasion in Sitka when the flag of Imperial Russia was lowered and the American Stars and Stripes were raised gloriously over Alaska. By reason of the purchase agreement which was executed on March 30, 1867, Russian-America was turned over to the U.S. authorities on October 18 of that same year. The purchase price was $7.2 million, unquestionably one of the most significant real estate bargains in all of American history.

In contrast to the purchase price of $7.2 million, we have extracted untold wealth from the land and adjacent waters of Alaska. As an example, the value of gold taken from Alaskan soil for the period of 1880–1966 was $752 million, and since statehood in 1959, we have extracted $30 million of gold. The value of coal mined from 1880 to 1966 was $150 million, and $50 million of this figure has been since statehood. Oil and gas production since statehood totals $200 million. Timber harvested in the period 1950 to 1966 amounted to $560 million, $400 million of which has been since statehood. Agricultural products amounted to $66 million in the years 1953 to 1966, $45 million of which has been since statehood. And, finally and most impressive, fisheries resources between the years 1950 to 1966 have brought Alaska $1,760,000,000, a spectacular $1,000,000,000 of which has been since statehood.

At this historic centennial celebration of the changing of the colors, we should all remember the wisdom, the tenacity and the foresight of a truly great American, William H. Seward, the Secretary of State under Abraham Lincoln and President Andrew Johnson.

JET SALES TO LATIN AMERICA

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

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

There was no objection.

Mr. WIDNALL. Mr. Speaker, the apparent decision on the part of the administration to sell supersonic jet fighter bombers to Latin American nations is indeed disturbing to all who are familiar with the economic needs of these countries.

It seems a shame that the aggressive arms sales policy of France has forced this policy shift, stemming from the announced decision on the part of Peru to purchase a dozen supersonic French Mirage V fighter bombers. Once again, the tragic drift of United States-French relations is further reducing our foreign policy to one of reaction and adaptation.

Nevertheless, we have made at least some progress. Were it not for the fact that a majority of the Members of the House and Senate have expressed themselves in opposition to past administration arms credit sales procedures, the changes are this significant decision to supply Northrop F–5's to Latin countries would not have been revealed until months after actual delivery of the aircraft. Judging from news reports and information I have been supplied, any supersonic jets supplied to Latin America are not likely to be facilitated by secret country X credit sales through the Export-Import Bank. The mere existence of public disclosure and debate over United States-Latin America arms sales policies resulting from French insistence to peddle sophisticated military aircraft to this hemisphere hopefully will create pressures aimed at resolving the problem before it gets out of control.

Mr. Speaker, more and more it appears that the avoidance of a dangerous Latin-American arms race depends upon hemispheric policies adopted on a voluntary basis by the Latin nations themselves. A hemispheric arms purchase quota must be placed high on the agenda for future diplomatic negotiations.

Without this, U.S. contributions to the Alliance for Progress and such other institutions as the Inter-American Development Bank will sustain deep cuts, if not termination. Such undesired consequences will not result from congressional or administration reaction as much as from the justified anger of U.S. taxpayers.

CONTINUING APPROPRIATIONS, 1968

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 949 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 949

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 joint resolution (H.J. Res. 888) making continuing appropriations for the fiscal year 1968, and for other purposes, and all points of order against said joint resolution are hereby waived. After general debate, which shall be confined to the joint resolution 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 Appropriations, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman from Mississippi [Mr. COLMER] is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the minority side, to the distinguished gentleman from California [Mr. SMITH], pending which I yield myself such time as I may consume.

Mr. Speaker, this is the third time that this matter of a continuing appropriation resolution has come up for consideration in this session of the House. It is a very complex and a very perplexing matter. On the previous occasion when this subject was before us, I addressed the House at some length on the necessity for some action to limit expenditures which had reached astronomical figures as the result of new programs and the policy of both butter and guns.

I shall not belabor the issue today. I can only express the hope that some meaningful action will be taken by this body today. It is one that is giving this House very much concern, and one which has given this particular humble Member of this House very much concern.

Mr. Speaker, when all is said and done, regardless of the many suggestions and approaches that have been made to the problem which confronts us, there is one thing we can all agree upon. I believe, which is that the time has arrived, as I said on previous occasions when a similar resolution was under consideration, for us to fish or cut bait.

The attitude of the country is reflected here in this House on both sides of the aisle. This group is representative of the people, as prescribed by the Founding Fathers. It is the group or the body of the Congress which is closer to the people, and the people are demanding some retrenchment, some cutbacks, some economy in the operation of the Government.

This resolution, Mr. Speaker, provides for 2 hours of general debate. It provides an open rule. Unlike on previous occasions, any germane amendment can be offered, because the rule waives points of order.

I believe we might expect here in the consideration of this resolution and under the 5-minute rule that a number of approaches to this problem will be presented.

Frankly, I have no particular program on how this should be done. I am for it being done. I am no new advocate of economy and retrenchment in Government, as this House knows.

Mr. Speaker, I do not believe that the House should dodge its responsibility or that the Congress should dodge its responsibility and delegate to the President the right or the duty of making these cuts. Badly as I want to see some economy and retrenchment, I still adhere to my former opinion that this is the responsibility of the Congress. The Congress of the United States is responsible for the condition we find ourselves in today and not the executive department, because, as I pointed out before, the President could not spend one dime if the Congress did not authorize it and appropriate the money. The responsibility is ours.

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

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. RESNICK. Mr. Speaker, I made the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. MOSS. 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. 318]

Anderson, Ill.	Harvey	Morton
Ashbrook	Hébert	Patman
Boggs	Herlong	Pirnie
Bolton	Ichord	Pool
Broomfield	Jonas	Rarick
Button	Jones, Mo.	Rees
Culver	Kazen	St. Onge
Dawson	Kleppe	Stephens
Diggs	Laird	Teague, Calif.
Fountain	Landrum	Utt
Grover	Latta	Williams, Miss.
Halpern	Moorhead	Willis

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 397 Members have answered to their names, a quorum.

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

CONTINUING APPROPRIATIONS, 1968

The SPEAKER pro tempore. The gentleman from California [Mr. SMITH] is recognized.

Mr. SMITH of California. Mr. Speaker, here we go again. We have been up and down this mountain two or three times this year, taking a different trail each time. It looks as though we will take a different trail today to reach the top of the mountain on our resolution continuing appropriations.

You will remember that a couple of weeks ago a resolution was offered which would extend the date to October 10. That was about 1 week more in time as of the day we considered that particular resolution. Just prior thereto we had considered the so-called Bow amendment, the language in two sections which would place a ceiling on spending of some $131.5 billion. This would not have been germane to simply a continuing date. Those of us who supported the Bow amendment in the Rules Committee attempted to make a rule in order so that it could be considered, but we were not successful, with the result that it was offered on a motion to recommit. It failed by some eight votes at that particular time.

The particular resolution passed, went to the other body, the date was changed to October 23, which is next Monday, and it was accepted here in the House.

The resolution before us today, House Resolution 949, will permit the consideration of the continuing resolution, House Joint Resolution 888.

The resolution on the rule provides for 2 hours of debate. It is an open rule. Any amendments which are germane can be considered, and in my opinion the Bow amendment will be in order as an amendment to House Joint Resolution 888. As I understand, it will be offered and subsequent thereto, if unfortunately it loses, it will be the basis for the motion to recommit.

Points of order are waived in the rule. This was because the Ramseyer rule was not completely conformed with, and also this is legislation in an appropriation bill and the waiver is appropriate.

This particular resolution goes a little further than just dates. There is language in here which purportedly will reduce expenditures by about $1.5 billion.

The Appropriations Committee has prepared a summary of the various cuts. I do not know if it is available for distribution, but they very kindly presented it to the Rules Committee. I will not try to summarize those, because the gentlemen on the Appropriations Committee are much more qualified to do so, but it has to do with halting certain projects between now and November 23, Thanksgiving Day, which is the date of the extension of the resolution, with certain reductions in poverty programs, and certain other language therein having to do with absorbing some of the salary increases.

It is my personal opinion that this is a step in the right direction, but I do not think it will be very effective unless the Bow amendment is added to it, because otherwise there would be this cut today, and then would come more spending, and then we would have the supplemental appropriation to take care of the supplemental spending. So unless we have a ceiling, we will continue to go uphill, which we will have to face some time in the future.

The Bow amendment will be offered.

There are 2 hours of debate provided under this rule. It is a joint resolution. It will have to be passed by the other body, and eventually it will have to be signed by the President. I think it will be a very interesting experience between

now and when final action is taken on this resolution.

I certainly hope that the date of November 23 does not mean we will be back here with a Christmas extension the next time. I hope maybe we can start winding up the year and get home by Thanksgiving this year.

Mr. Speaker, I do not have any requests for time and I know of no objection to the rule.

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

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MAHON. 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 joint resolution (H.J. Res. 888), making continuing appropriations for the fiscal year 1968, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Ohio, [Mr. VANIK] as Chairman of the Committee of the Whole, and requests the gentleman from Illinois [Mr. ROSTENKOWSKI] to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 888), with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN pro tempore (Mr. ROSTENKOWSKI). Under the rule, the gentleman from Texas [Mr. MAHON] will be recognized for 1 hour, and the gentleman from Ohio [Mr. BOW] will be recognized for 1 hour. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I am intrigued by the number of the House joint resolution now before us—No. 888. This would indicate to me that in the House perhaps we are behind three "8" balls.

THE FISCAL PROBLEM

We have had some very serious problems and debates in regard to Government appropriations and spending in recent weeks, which is in my judgment very healthy, because I, for one, am for reducing appropriations. I am for reduced spending through reduction of appropriations wherever that can safely and reasonably be done.

I believe that since the January budget was presented and since action has been taken on many other bills, the worsening fiscal situation calls for the elimination of some Government spending which under more normal times would be highly desirable. We have to look at the fiscal picture in the light of October 1967, not in the light of January 1967.

In January 1967 the picture was not good, speaking from a fiscal standpoint, but since that time the picture has darkened. The President has announced that defense spending might go $4 billion higher than was anticipated at that time. There are indications that revenues will be less than then estimated. There is every indication that the President's announcement of considerable increased spending for the war is probably correct and to some extent spending is increasing otherwise.

It has been estimated that the Government may go in the red during the current fiscal year by as much as $29 billion, which would mean that the Government would have to go out and borrow $29 billion to cover the deficit. Such action would have a tremendous economic impact, a very unfavorable and perhaps to some extent disastrous impact.

In view of this, we need to cut appropriations as much as we reasonably can.

SUMMARY OF THE RESOLUTION

So we bring to the House today a continuing resolution, which includes some recisions, some further reductions. The further reductions in appropriations made by this resolution are estimated at approximately $1½ billion. This is what we estimate it would achieve.

If enacted, this would bring reductions in appropriations, by the House for fiscal year 1968, at this session of Congress, to about $7.5 billion. That would be the total in bills already acted on by the House and the estimated reduction in bills yet to be acted upon by the House.

So it seems to me we are reacting to the exigencies of the moment by undertaking to make further reductions.

Final action has not been taken on many of the major appropriation bills, so we could not bring in a line item recision bill of that type, because the amounts have not been finalized. We believe we have done the best we could under the circumstances.

As chairman of the Appropriations Committee I personally promised the House that I would undertake to bring in a recision bill last week or this week. We have kept our promise and we have brought in the bill. It is regrettable that we have been obliged to bring it in at this time. It would be more appropriate to bring in specific item recisions at the time we consider the final supplemental, but apparently the will of the House is that some form of reduction be considered now, so we will consider the matter now rather than at the time of the final supplemental.

What we have sought to do in this resolution is to give the House of Representatives an opportunity, a vehicle on which to work its will.

We have proposed additional reductions in civilian personnel, as shown in the report, which we estimate would save roughly $560 million.

We provide for absorption of the entire pay increase voted by the House last week in case a pay increase becomes law. That is $625 million, on the basis of the House passed pay bill, another very substantial savings.

We have provided for additional reductions in research and development areas, which we estimate would save roughly $325 million.

In appropriation bills thus far we estimate we have already cut research and development, in the areas affected by the resolution, by about a billion dollars. More than half of that was in the space program, because all of the space program is considered research and development.

This is a brief summary of the action proposed. The resolution is before the Members. The report is before the Members. I would hope that the Members would carefully read the joint resolution. It is a little technical in wording, but it is not too difficult upon a second or third reading. I believe the report is rather clear.

Frankly, I believe the Members will want to make some improvements in the pending measure. There will be some discussion of the problem confronting the Post Office and the problem confronting the Internal Revenue Service. We will want to discuss that. I am disturbed about it and I feel adjustments must be made. We want to do whatever is best for the United States of America as we proceed during the afternoon.

I should like to say, as to amendments which will be offered, after they have been discussed somewhat I shall move that the debate close, after we have had an opportunity for a reasonable amount of debate. We have been over this ground, much of it, several times in recent days.

I hope we can proceed with dispatch to the passage of this bill.

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

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

Mr. PEPPER. I ask the able chairman, in respect to the cuts in research and development to which he averted, is any cut proposed for the research funds in the National Institutes of Health?

Mr. MAHON. Yes. It would apply to the National Institutes of Health as well as to other areas of research.

Mr. PEPPER. Does the able gentleman, if he will yield further, recall what the cut is that is proposed in the NIH research funds?

Mr. MAHON. No. I do not have the figure as to what that reduction would be. There would be some flexibility in the assignment of these cuts within the department or service, for example.

Mr. PEPPER. And there would be half a billion dollar cut in the space program's research and development?

Mr. MAHON. We, in the House, have already approved a half-billion-dollar cut in NASA, in the regular bill.

Mr. PEPPER. Does the able gentleman take into account in making that cut the announcement in the morning paper that the Russians just soft landed an instrument on Venus and we have not even gotten ours into the vicinity of Venus yet? Also one of the authorities of the space program said that we would not be able, if these cuts are made, to

continue that area of exploration and development.

Mr. MAHON. The gentleman is familiar with this, but I might remind him that the reduction has already been made in the regular NASA appropriation bill.

Mr. MACGREGOR. Mr. Chairman, will the distinguished gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. MACGREGOR. I have listened with great interest to the chairman of the Committee on Appropriations describing our continuing resolution today. I have read with great interest the committee report. I notice on page 5 of the report that reference is made to discussions within the Committee on Appropriations of the possibility of recisions. The distinguished chairman spoke in this Chamber on October 3 on the hopes he had of recisions and talked about the opportunity of making a recision today.

I also listened to the colloquy between the gentleman from Florida and the gentleman from Texas on the possibility of rescinding some of the research money for the National Institutes of Health. I have this question for the chairman: Does this continuing resolution offered today provide any recision of funds for the development of the civil supersonic transport aircraft?

Mr. MAHON. I was momentarily distracted. Will the gentleman rephrase that question as to the supersonic transport, please?

Mr. MACGREGOR. Yes. I understood the distinguished chairman of the Committee on Appropriations in response to the gentleman from Florida [Mr. PEPPER] to say that the resolution now before us could result in a cutback of research funds for the National Institutes of Health. My question is, Could the resolution before us provide any cutback in the development funds for the civil supersonic transport aircraft?

Mr. MAHON. These funds have been provided in previous years. No funds have been provided for fiscal year 1968 by this Congress, because the bill has not been fully enacted into law and approved by the President.

Mr. MACGREGOR. Will the gentleman yield further? I understand this body has passed in an appropriation bill for the Department of Transportation an appropriation of $142,375,000 for fiscal year 1968 for the development of the civil supersonic transport aircraft and further understand that the Senate passed and approved an identical figure. I understand, because I was here all during the debate on yesterday, that that amount was not in conference.

Mr. MAHON. That is right.

Mr. MACGREGOR. Because there was no disagreement between the House and Senate figures in the Department of Transportation appropriation bill, I understand that the conference committee has not yet reached agreement finally on the supersonic transport aircraft item in the Department of Transportation bill. I think I understand all that, Mr. Chairman, but what I am getting at is this: Do I understand that we have before this Committee today the possibility of cutting funds for research for the National Institutes of Health but that we have no possibility in the resolution before us of cutting the funds for the development of the civil supersonic transport aircraft? Is that correct?

Mr. MAHON. In my opinion that is not correct. These funds——

Mr. MACGREGOR. Mr. Chairman, if the gentleman will yield further, wherein do we find in this continuing resolution any cutback of funds for the development of the civil supersonic transport airplane?

Mr. MAHON. We made a cut in research, Government-wide, and in all agencies. That cut would have to be applied agency by agency.

There is no specific cut here for the SST. But it could be cut as a result of the action which has been taken.

Mr. MACGREGOR. I thank the chairman.

The CHAIRMAN (Mr. VANIK). The time of the gentleman from Texas has again expired.

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

Mr. Chairman, today for the first time, I can stand here and tell you that I believe we have a real chance to make substantial reductions in Federal spending in the coming year.

The fact that the majority on the Appropriations Committee has developed four spending curbs in this continuing resolution is very significant. It means that those of us who have stood here all year and argued for economy are receiving constructive support from the other side of the aisle. This is what I urged in private talks with the gentleman from Arkansas [Mr. MILLS] and the gentleman from Texas [Mr. MAHON], my own chairman, over a month ago. It is gratifying to me and it will be glad news to the people of America to know that we are working together now to attack this problem.

My mail has been heavy with congratulatory letters from all over the country since our debate here September 27, when the House voted to recommit the October continuing resolution.

As all of us recall, that rejection of "spending as usual" followed an afternoon of debate on my resolution providing an absolute ceiling of $131.5 billion on 1968 spending, and rescinding to the Treasury $5 billion. The Associated Press, among others, interpreted that recommittal vote as a mandate to the committee and the House to cut spending at least $5 billion.

Most of my mail asks why we stop with $5 billion. The people of this country believe that we are spending far too much. Almost every citizen can cite evidences of wasteful Government spending. They see it in a local project or office, and they reason that it must be occurring in other areas, and they want economy in Government. The Harris poll this week shows 73 percent want cuts in Federal spending.

The debate since September 27 has been fruitful, as evidenced by the pending resolution. I continue to insist, however, that this resolution does not go far enough and I will offer again my overall expenditure limitation of $131.5 billion.

First, however, I wish to discuss the resolution and point out how far we have come since the economy debates in the spring, when my efforts to establish significant expenditure limitations were defeated time and again in the House.

In those debates the Bow expenditure limitation was hotly attacked by the majority as a meat-ax approach to economy and, except for the two instances mentioned, it was rejected out of hand.

Now we are in a much different atmosphere.

Section 2 of the resolution provides a 30-day moratorium on new obligations not essential to the Nation's defense or welfare. This offers a badly needed opportunity to review priorities. I pointed out some time ago that the administration was spending in July and August at an annual rate of $145 billion, $20 billion more than the 1967 rate. Perhaps this 30-day moratorium on new contracts and new hiring will give us a chance to stop our headlong dash into the biggest spending program in our history.

Section 3 applies to civilian personnel of the Government the spending limitation which was offered as the Bow amendment to six of the 12 appropriations bills thus far considered in the House. The Bow amendment said that the agency could spend only 95 percent of the money proposed to be spent in this fiscal year. The pending resolution would limit civilian personnel expenditures to 95 percent of the budget estimate.

Parenthetically, I may say that applying the 95 percent expenditure limitation to personnel expenditures only is much more difficult to administer than a general 95 percent limitation applied to all of the agency or department concerned. Under the language of the resolution, it will require major personnel reshuffling to accomplish the desired saving in the 9 months remaining in this fiscal year. A straight prohibition on new hiring, or a personnel ceiling to be accomplished through attrition, would accomplish the same purpose over a period of time without requiring reductions in force and thousands of personnel changes. Moreover, since the limitation is applied against the budget estimate, this procedure imposes a heavier burden on the agency that budgeted carefully with few requests for new jobs and a much lighter burden on the agency that asked for many new positions. However, since this is the method selected by the majority to accomplish a significant reduction, I will support it.

Section 4 requires that the Federal agencies absorb the cost of the pay increase which the House passed a few days ago. I voted against that pay increase because I considered it a reckless additional burden on an already overstrained economy. Absorption of the cost will help to alleviate that burden.

Section 5 of the resolution again employs the Bow amendment principle and requires a 10-percent reduction in expenditures for research not directly connected with our military effort. This is a prime area for economy. The cut here could be much larger, but we are pleased to have agreement on even a 10-percent reduction.

Having embraced the Bow limitation

in this resolution, I hope the majority will accept it if I offer it to the foreign aid bill later in this session.

The resolution would be complete if the committee had accepted as section 6 my amendment to provide an ironclad expenditure limitation on all Federal activities, except the purely military.

The provisions of the pending resolution leave the door ajar to the experts in budget juggling. All of us here should know how quickly any opening is exploited in the bureaucracy. We should slam the door shut and lock it by saying "you may spend this much and no more, and the savings go back into the Treasury." That is the only kind of limitation and the only kind of language that will be understood and will be effective in applying a realistic ceiling on this soaring budget.

Mr. Chairman, Sunday's newspaper column by Evans and Novak singled out the gentleman from Arkansas [Mr. MILLS], the gentleman from Texas [Mr. MAHON], and the gentleman from Ohio, myself, as objects of special attention from President Johnson. According to these astute reporters, who seem to have ears at every keyhole, the President told 12 Democratic Senators that he was displeased with the notorious trio I have mentioned because we were interfering with his spending and taxing plans and he was going to get retribution by stopping Federal projects in our districts.

I am more than a little surprised by this report, for it does not sound like our President, whom I remember so well as the Senator from Texas when he was chairman of the Subcommittee on Appropriations for the State Department and we met many times in conference committee on the budgets for that Department and others. In those days the Senator from Texas, now President Johnson, had a sharp pencil and we agreed on many budget cuts. I can recall Senator Johnson telling us and telling the Senate that he was trying to help the President, General Eisenhower, practice economy. That is what we are trying to do now. We are trying to help President Johnson practice economy, for he has said he is for economy, and I find it hard to believe that his memory is so short or that circumstances are so changed as to create in his heart a desire for revenge against those of us who seek to help him practice economy.

With respect to the pending resolution, as I pointed out here a few days ago, Senator Johnson, now our President, suggested in 1957 that a "4-, 5-, or 6-percent cut" in each of the appropriation bills might be an appropriate economy device. The RECORD reveals that he discussed it with several of his colleagues and they agreed to try to work out a formula. I do not find that they ever did so, but I have done so and the House accepted the Bow 5-percent expenditure limit on the appropriations bills for State, Justice, Commerce, and the Judiciary and for the Transportation Department. This is the formula that the committee has developed in section 3 of this resolution, with regard to civilian employment, and section 5 with regard to research.

Inasmuch as the President himself, when in the Senate, advanced this proposal for saving money, I do not understand why he would reject it nor why he would seek retribution against the Members who propose this economy.

In another debate in the 1957 economy drive, Senator Johnson, now our President, suggested that the Appropriations Committee should seriously consider a 5- or 10-percent decrease, leaving it to the President to determine where the cuts should be made.

We find Senator Johnson expressing the thought in these words:

> Perhaps the Appropriations Committee should seriously consider, when it deals with the appropriation for the Department of Defense—giving to the President and to the Secretaries what they have requested and then stating, "We direct you, as a part of the fiscal policy of the United States, for which we have a responsibility, to set up a system of priorities which will result in a saving or an economizing of a specific percentage"—perhaps 5 percent or 10 percent.

Again, this is what the Bow expenditure limitation, both on the bills on which I have offered it and on the overall budget, is trying to say to the President and to the Secretaries.

I do not believe that Lyndon B. Johnson, having endorsed the suggestion 10 years ago as a Senator earnestly trying to cut President Eisenhower's budget, would now oppose the same suggestion from Members of the House.

Senator Johnson, now our President, was greatly concerned about the growth of the budget and of the Federal payroll under President Eisenhower's administration. He noted that the number of Federal employees had jumped from 900,000 in 1939 to 1,900,000 in 1949 and that expenditures went up from $9 to $39 billion in that period. He pointed out that the 1958 budget proposed 2,400,000 employees and expenditures of $71,800,000. In all fairness, he also pointed out that the dollar did not buy as much in 1957 as it did in 1939, but he was, nonetheless, expressing alarm. I am certain that President Johnson will forgive us for expressing alarm when we see his budget proposing $136.5 billion with 2,800,000 employees.

He said:

> Like many of my colleagues on both sides of the aisle, I shall apply myself to the task of scrutinizing each penny that we appropriate. I shall attempt to reduce items that I think should be reduced, and eliminate items that I think can be postponed, in the hope that Congress can still control the purse strings.

That, of course, is precisely what we have been trying to do here.

Like Senator Johnson 10 years ago, we must in all fairness point out that the dollar does not buy as much as it did in 1959. Things do cost more. But they do not cost twice as much, and President Johnson's agencies, I remind you again, were spending at an annual rate of $145 billion during the first 2 months of this fiscal year. That is over twice the spending that Senator Johnson was deploring in the Senate economy debate of 1957.

The actual increase in prices since the change of administrations in 1961 and apply this percentage allowance for inflation and add the cost of the Vietnam war, Federal expenditures this year should be about $125 billion. They are running at a rate of $20 billion more than that. I am suggesting that we limit expenditures to $131.5 billion, which is $6 billion more than any increase justified by both war and inflation and $6 billion more than we spent in the last fiscal year. No reasonable person could say that we were underspending in the last fiscal year. It would be reasonable to hold spending to that level. But we are not insisting on that, because it has appeared to be impractical and impossible to establish such a limitation. We are asking for $131.5 billion as a ceiling.

Going back again to the famous debates of 1957, the Senate majority leader who is now the President of this Nation told us that "this Government operated with stature and efficiency and it commanded the respect of the world with 900,000 employees in its highest peacetime year during the Roosevelt administration. We now have exactly a million and a half more employees than were required then." His statement appealed to me then and it does now. This Government operated with stature and efficiency and it commanded the respect of the world with about 2,000,000 employees in 1957. I think it can still do so today. Certainly we have added nothing to our efficiency and very little to our stature and we have lost respect in other parts of the world during the past few years when almost 2,500,000 civilian employees were on the Federal payroll.

The pending resolution will help us to reduce this swollen payroll. Any indication that we are making a serious effort to manage our spending will enhance the respect with which we are regarded, and I may say that it could be a very important contribution toward the future integrity of the dollar.

Now, let us review the situation.

As I said on the floor a few days ago, there are at least four ways to cut Government spending.

Approval of this resolution today will accomplish reductions or avoid expenditures of $1.4 billion.

Adoption of my amendment to place an absolute ceiling of $131.5 billion on spending will require the President to cut his spending plans by $5 billion.

The appropriations reductions recommended by the House to date are in the neighborhood of $4 billion and I am happy to see that our committee agrees in this report that we should end the session with total appropriation reductions of almost $6 billion. Allowing for some slippage in the bills reported by the other body, and on some of the bills this year the other body has been most cautious, we can expect to show savings in this fiscal year of $2 to $3 billion from the appropriations process.

Thus, we are approaching rapidly today the goal of $10 billion which many have mentioned as the desirable, maximum, feasible cut in Federal spending for the fiscal year.

The committee report points out that it is difficult at this time to consider recisions inasmuch as more than half of the appropriation bills are still in process. This means that the time has come

for some cooperation from the White House.

In the debates to which I have referred in 1957, the Senator from Texas, who is now our President, made this reference to President Eisenhower:

The President, at first, made statements which seemed to indicate sympathy for this attitude.

He was referring to the economy drive in Congress. He continued:

He invited Congress to look into the budget and find out where it could be cut. It was only later . . . that the President came to the conclusion that big cuts could not be found.

History has repeated itself in that President Johnson has made many statements throughout the spring and summer in which he indicated sympathy for our economy efforts and pledged that his departments would seek out every possibility of saving. I am reluctant to believe that he has come to the conclusion that big cuts cannot be found. I am hopeful that we can rely on the many reports from usually reliable sources to the effect that the departments have given the White House memoranda showing where five and ten percent savings may be made. At this time, I call on the President to give this instruction and guidance to Congress. Help us to do what remains to be done in respect to the appropriations still not completed and the recisions we hope soon to undertake.

Here in the House during those same debates our distinguished Speaker called upon President Eisenhower to give Congress a list of priorities.

Everyone knows that there must be an order of priorities in Federal spending, just as there is in our own family spending. If the carpet is worn out and we are planning to replace it and about that time the refrigerator breaks down, how do we spend our limited funds for home improvements? We get a new refrigerator, of course. A refrigerator has higher priority than a carpet. Let us have from the President a list of projects, numbered one, two, three, four and so on down the line for each agency so that we can look at the priorities and defer or eliminate the nonessential or the less pressing items.

Rescisions are not a new idea to President Johnson. In 1959, as the Senate majority leader, he commented on the $10 billion unobligated carryover funds in the Eisenhower budget and he said:

I also suggest, though I have not explored this carefully, that the Committee on Appropriations give consideration to the possibility of conducting inquiries into the unobligated balances, so that if it appears that certain recisions can be made, the committee can so recommend to the Congress CONGRESSIONAL RECORD, volume 105, part 2, page 2009.

If Senator Johnson thought such a course was feasible and advisable when the administration showed a $10 billion carryover, surely he would be even more inclined to go along today when his administration has over $50 billion in its bank account, unobligated and ready to be spent.

If President Johnson refuses this assistance, I think the House might well consider as a last resort the policy suggested by Senator Johnson for the U.S. Information Agency in 1957 when that agency appropriation was the subject of bitter debate.

Senator Lyndon B. Johnson described his committee's recommendation as follows:

Some suggestion were made that we should provide the amount of the House figure, $106 million. As chairman of the subcommittee, I asked the members to consider the fact that this administration had been in office 4 years, and that in 3 of those 4 years there had been appropriated for the USIA sums in the 70 millions, in the 80 millions, and in 1 year $113 million. The 4-year average was $90 million. I asked if any member of the committee could demonstrate from that record a justification which would permit a conscientious, informed Senator to say that this Agency was entitled, on its record, to more this year than it had received for the average of the 4 years.

Perhaps Congress should apply the same reasoning to 1968 expenditures.

If we average actual expenditures for the fiscal years 1964 through 1967, we get the figure of $106.7 billion.

Paraphrasing the Senator, I ask you if any of you can demonstrate from the record a justification, other than the increasing cost of the war in Vietnam, which would permit a conscientious, informed Representative to say that this administration is entitled, on its record, to more this year than it received for the average of the 4 years. I think you cannot.

That average includes 2 years of war, but even if we add war costs we do not exceed by $131.5 billion ceiling.

My remarks today are not intended to be critical of anyone, but only to point out what I believe is required of us if we are to discharge our responsibility as the keeper of the purse strings. Ten years ago President Johnson, then a Senator, made this comment:

If I know Dwight Eisenhower, the President of the United States, and I think I do, I know he wants me to do my job as a United States Senator as my conscience dictates." CONGRESSIONAL RECORD, volume 103, part 5, page 6974.

As he said:

The President can depend upon the Congress to meet him more than halfway, to cooperate with him wherever it feels he is right, and to oppose him only when it thinks he is wrong, and then to oppose him only on principle, and not on the basis of personalities. (CONGRESSIONAL RECORD, vol. 105, pt. 2, p. 2100.)

I say to you today that if I know Lyndon B. Johnson, and I think I do, I know he wants me to do my job as a Representative in Congress and as the ranking minority member of the Appropriations Committee, and I know he understands that I may oppose him on principle, but in my remarks today I am not dealing in personalities, nor will I do so.

One more word, and one more reminder of the days when the President was the vigorous champion of congressional economy. Soon you will vote on my amendment to hold the spending ceiling at $131.5 billion, a savings of $5 billion. I say to you as Lyndon Johnson said to the Senators one late afternoon, 10 years ago:

When the vote on the question is taken, every Member who wishes to vote for more money, for more jobs, for more Government-kept press services, for more assistants, can line up on one side and say, "here we are—the spenders, and proud of it." Those on the other side can line up and can say, "Here we are, the cutters, and we are proud of it." (CONGRESSIONAL RECORD, vol. 103, pt. 5, p. 6973.)

For the welfare of the people of this country, I earnestly hope that the cutters today will outnumber the spenders by a wide majority.

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

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

Mr. GROSS. Mr. Chairman, I thank the gentleman from Ohio for yielding and commend him for the long and hard fight he has made in behalf of fiscal sanity.

Earlier in the gentleman's remarks he spoke of the then Senator Lyndon Johnson's concern during the Eisenhower administration because of the increase in Federal employment. I checked only this morning with respect to present employment in the Federal Government. I found that during the regime of President Kennedy employment increased by approximately 100,000. I found that between June 30, 1963, and June 30, 1967, civilian employment in the Federal Government had increased, under President Johnson and his Great Society, by nearly 500,000.

Apparently President Lyndon Johnson is not as concerned about increased employment in the Federal Government as was Senator Lyndon Johnson during the Eisenhower administration.

Mr. BOW. I thank the gentleman for his contribution.

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

Mr. BOW. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Can the gentleman tell me why the legislative and judicial branches are not subject to the same limitations under this resolution as the executive branch?

Mr. BOW. I say to the gentleman, I had hoped they would be. I am sure the gentleman knows that the committee considered this matter at great length. The gentleman from Florida was prepared to offer an amendment to the resolution at that time to include the legislative and judicial branches, which I would have supported, but this was a rather hurried session and it was found in the drafting at that time this could not be brought in.

I say to the gentleman also, I understand, on both sides of the aisle perhaps, there are amendments to be offered today to include the legislative and judicial branches. I shall support them, and I hope they will be included.

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

Mr. BOW. I am glad to yield to the gentleman from Florida.

Mr. SIKES. I should like to confirm what the distinguished gentleman has

said. I do believe the legislative and judicial branches should be included, and I intend to offer an amendment to accomplish that.

Mr. BOW. I thank the gentleman.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am glad to yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. In the gentleman's remarks about Lyndon Johnson, when he was a Senator, he was referring to appropriation cuts and not to expenditure control.

I believe that is the basic issue here today; whether or not Congress is going to abdicate its responsibility and reduce this Chamber to a debating society, whether we are going to approach the subject in a proper way by having appropriation cuts.

I know that the gentleman here is not guilty of this, because I respect and admire him for what he is doing, but it seems to me actually what is being accomplished by this amendment is the creating of a condition here whereby the appropriations of this Government could go up to $500 billion, and every individual Member on the other side of the aisle would be able to vote for any appropriation he thought was beneficial to him politically, and after the appropriation was made the President then would be put in a straitjacket by saying that the expenditure control should be $131 billion. Then the individual Member on your side, if he is in favor of a program to build a hospital in his district or a flood control project, or any project, could come back there in a nice, smart political way and explain to the people of his district, "Well, Congress appropriated the money for this, but the President took it out."

Does the gentleman not believe we have a responsibility here to act on appropriations, as Senator Johnson acted in the Senate, and as he stated, as the gentleman read from the RECORD? Does the gentleman not believe we should act on appropriations and not abdicate our responsibility and reduce this Chamber to a debating society, sending resolutions to the White House saying that we favor this appropriation and that appropriation, but, on the other and, "We are going to put you into a financial straitjacket and these appropriations cannot be spent," to let the individual Member go back to his district and be an apostle of economy on one side and then in favor of projects in his district? Does the gentleman not believe this is abdicating our responsibility?

Mr. BOW. Mr. Chairman, I do not yield further at this time.

I appreciate the gentleman's expression, but I thought, before our time expired, I should like to reply to a part of it. If the gentleman needs more time, he can get it from his side.

The gentleman has raised a very interesting question. He has raised the question that we appropriate funds and then put the President in a straitjacket. He points over here and he says, "If the Republicans vote for these bills they can go back and claim them."

I believe my friend knows that sort of claiming is not just on one side of the aisle. I believe that on both sides of the aisle people have gone back to their districts at times and have said, "Look at what I have done. I have been able to get certain projects."

I believe, when we look it over, we will find a lot more on the Democratic side have gotten projects than Republicans. One just cannot point the finger over here.

The gentleman says we have to keep control and not put the President in a straitjacket.

Now, let me tell you he has that authority now to cut out programs—to freeze funds. We are not giving him anything new by putting this limitation on him. He already has it, and he has threatened to use it on me, or so the press says. I do not think he really did. I do not believe that. The President has this authority now. Let us see what will happen.

Let us get practical about the $131.5 billion we appropriated. We appropriated this money, and we have it in the RECORD that you have all your appropriations for 1967. Congress set them up. So we know that the Government went along pretty well there. There was no real problem at all about it. The Government got along real well in 1967. They had money to spend, and it was a big spending Government. We did a lot of things we had not done before with the funds in 1967. The actual 1967 spending was $125 billion. That is what he spent. We are not saying, "We are going to cut you down under what you had in 1967, Mr. President." In his January estimate he asked for $135 billion. What we are saying to him is, "Keep your spending down to $131.5 billion." That is $5.8 billion more than he spent in 1967, the fiscal year that just ended in June. So we are not hamstringing him. Just think of all the projects and things that were done in 1967. They operated all of the departments, the Post Office included, and the Internal Revenue Service and many others, and there would not be authorizations brought up that are going to eat up all that $5.8 billion in addition that we are giving him.

The gentleman knows that we have excluded the military from this. It seems to me that the gentleman put up some strawmen. We are not doing anything here that has not been done before or that the President himself, when he was the majority leader, did not ask for. He said, "Let us appropriate and let the President and the Secretary of Defense determine how they will spend the money."

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

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

Mr. BOW. I will be glad to yield to the gentleman from Mississippi in just 1 second. I owe the courtesy of yielding first to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. We all know that the President has the power to reduce these expenditures, but we have the responsibility here of making the appropriations. It is very unfair for us to send all kinds of spending bills down to the White House and have every individual Member protected politically voting for those projects that are favorable to his own district. That is what your amendment does. That is why the President differs with you and why I differ with you.

I was one of those who voted to table the tax bill. I voted that way because I felt through that tabling motion the Congress would live up to its responsibility, too. It is after we pass the appropriation bill that we would let the President cut what he wanted to under the power and authority that he has today, but why should we be able to vote for all kinds of appropriations and kite the appropriations bills up to astronomical heights and then say to the President, "Despite the fact that we voted for all these appropriations, we will only give you this much money to spend?"

Mr. BOW. May I again suggest that the gentleman get time from the gentleman from Texas to expand on that.

But let me simply say this: This is the one way we can actually reduce spending. If we put an expenditure limitation on it, we know——

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BOW. I will not yield any further. I suggest the gentleman get his time from the gentleman from Texas.

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

Mr. BOW. I will be glad to yield to the gentleman from Mississippi.

Mr. COLMER. I thank my friend for yielding to me.

First again I want publicly and on the RECORD to say that I think the gentleman from Ohio has served a very splendid purpose in what he has done here.

However, the distinguished gentleman from Ohio [Mr. BOW] made a statement a moment ago which is contrary to my understanding of the law and of the powers of the President of the United States. The thing that disturbs me about the gentleman's argument is that the President has this power—I believe my friend, the distinguished gentleman from Massachusetts [Mr. BURKE], said as much himself a moment ago, but what I would like to know is where the President gets that alleged power? I know of no place in the Constitution of the United States, although I do not set myself up as a great constitutional lawyer, nor do I know of any standard, law, device, or statute that provides or grants that power to the President of the United States.

Now, the fact that the President may use or usurp such power is one thing. But the question of his having that authority and that power is another thing.

Now, if my distinguished friend, the gentleman from Ohio [Mr. BOW] can straighten me out on that question, I shall greatly appreciate it.

Mr. BOW. All I can say to the distinguished gentleman from Mississippi is to repeat the Constitution to the gentleman which provides that no money shall be drawn from the Treasury of the United States, except in consequence of appropriations made by law, and so forth.

This is all that the Constitution says on that question.

Mr. COLMER. Mr. Chairman, if the gentleman will yield further, the gentleman from Ohio [Mr. Bow] may be correct to the effect that there is no authority in the Constitution requiring the President to expend the funds the Congress appropriates. However, I do not find anything, as I interpret the Constitution that represents a mandate that he must spend the money and that he has withheld it.

Mr. Chairman, I do not wish to detain the distinguished gentleman from Ohio [Mr. Bow] too long——

Mr. BOW. I shall be delighted to yield further to the gentleman from Mississippi.

Mr. COLMER. However, I believe there is somewhere in the Constitution, although I have not looked at it recently—I know of no provision dealing directly with this question. However, somewhere in the Constitution there is a statement to the effect that the Chief Executive shall enforce the law. So, if the Congress authorizes and appropriates the money, perhaps the constitutional argument is on the other side—to the effect that the President should spend it

Now, Mr. Chairman, I repeat that this is the thing which disturbs me. I know that the distinguished gentleman from Ohio [Mr. Bow] knows that I have not been partisan in this matter. My position is simply that the President does not have this power of the item veto and I am against the Congress giving it to him or sanctioning his use of it by legislative enactment.

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

Mr. BOW. Mr. Chairman, I have consumed far too much time on this subject and I realize that my time is going very fast.

Mr. MAHON. Mr. Chairman, I shall be happy to yield to the distinguished gentleman from Ohio [Mr. Bow] 3 additional minutes.

Mr. BOW. I thank the distinguished gentleman from Texas.

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

In my opinion we are here discussing the very meat of this entire situation. The gentleman from Massachusetts [Mr. BURKE] has pointed out, as well as I have heard it, just what the situation is here. By that I mean the responsibility of the Congress of the United States as contrasted with the responsibility of the Chief Executive. With respect to the question raised by the gentleman from Massachusetts, the only authority about which I know, that the President has to withhold expenditure of funds is that authority granted under the Antideficiency Act of 1950, which stated in substance that if conditions change following the providing of the funds to the executive branch, then in the light of the changing situations the Chief Executive can withhold the obligation or expenditure of funds.

Mr. Chairman, I shall obtain permission when we are back in the House to insert into the RECORD that portion of the law at this point in the RECORD.

The material referred to follows:

31 U.S.C. 665

(c) Apportionment of appropriations; reserves; distribution; review.

(1) Except as otherwise provided in this section, all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period; and all appropriations or funds not limited to a definite period of time, and all authorizations to create obligations by contract in advance of appropriations, shall be so apportioned as to achieve the most effective and economical use thereof. As used hereafter in this section, the term "appropriation" means appropriations, funds, and authorizations to create obligations by contract in advance of appropriations.

(2) In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the purposes of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations.

Mr. MAHON. The matter with which we are faced here—and it is my opinion that it has been very well pointed out here by the distinguished gentleman from Massachusetts—is to this effect: You see, heretofore Members have said, "Oh, well, I will vote for this; this is only an authorization, but the Committee on Appropriations will take care of that."

Now, Mr. Chairman, we have moved into Bow amendment era. We have the situation wherein we would appropriate in certain cases only and then say, "Why should we worry about that, because we will have an expenditure limitation and not let the President expend these funds."

Mr. Chairman, this is my problem, your problem, our problem.

Mr. BOW. Mr. Chairman, I realize the fact that the distinguished chairman of the Committee on Appropriations has many problems.

Mr. MAHON. That is an understatement of fact.

Mr. BOW. And, one of them is trying to protect the Treasury of the United States and the taxpayers of this country.

Mr. Chairman, there is a way to solve that problem. That is to say we are not going to spend any more than $131.5 billion in 1968. That is the primary problem of the gentleman from Texas, to save the taxpayers of this country from the dilemma of the budget, a budget that is entirely out of proportion.

I must say to the gentleman where did the President get his authority last November to delete $3 billion? If he is violating the law we have to take him to task.

Mr. MAHON. Will the gentleman yield further?

Mr. BOW. No, I cannot yield further at this time.

Mr. MAHON. I will yield the gentleman sufficient time, so he will not have a problem in yielding to his own side.

Mr. BOW. I have some Members who have asked for time.

Mr. MAHON. You are not losing any time, you are using my time.

The President last year used the provision of law, I assume, in the Antideficiency Act of 1960. As the gentleman knows, we had inflationary problems, and a changing condition following the time the appropriations were made, and I assume the President relied upon the portion of the law to which I have referred.

I believe that that was the basis of the decision then, and the President can do so again this year. But we have never given the President the statutory item veto. And that is the reason I so violently—if I may use that word—oppose the Bow amendment and other amendments of this type.

Mr. BOW. Mr. Chairman, the President, in effect, used the item veto last year. Is the gentleman reading this through—"some change in situations"? Let us have Congress face up to the fact that there is a change in situations, there is a tremendous budget, a tremendous debt, a war in Vietnam and business as usual at home. It is time we began to tighten our belts and take the necessary steps if we are going to fight the war in Vietnam and escalate it. There are changes in conditions which the Congress should consider, and not leave it up to the President to decide whether he is going to decide to do it or not.

Mr. MAHON. Will the gentleman yield further?

Mr. BOW. I will yield further on the gentleman's time.

Mr. MAHON. I agree with the gentleman that there is a change in the situation, there is a great urgency for reductions, but I do not agree that it is the responsibility of the President. I agree that it is up to the Congress to reduce appropriations which in effect reduces spending. And that is the reason we have this bill before us which the gentleman from Ohio is supporting today. That is the crux of the whole matter. And in view of the changing conditions let us rescind, reduce, and otherwise limit the amount of money available to the President. But once we have provided the money to the President it is up to the President to spend it, or else, in view of changing conditions, to withhold it.

Mr. BOW. I must say to the gentleman we have not provided the money, there are about 11 bills still waiting to be brought in here. Let us put this reduction on spending, then when the gentleman and I go to conferences on the appropriation bills we can point out to the other body, as well as our own Members, that there is a limitation on spending, and we must reduce these appropriation bills to meet the ceiling which we have put on them.

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman from Ohio yield?

Mr. BOW. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. The gentleman from Texas has just quoted the specific statutory authority by which the

President can refuse to spend the money appropriated that is made available by the Congress.

The gentleman from Texas very well remembers the invitation he and I and others had to go down to the President's ranch in Texas last December, and at that meeting the President asked if on some of the obligational authority that Congress had made available we would agree with him withholding the obligation during the fiscal year 1967. And if I recall correctly the gentleman from Texas and I and others on both sides of the aisle, and from both sides of the Capitol, agreed. The President should not approve the obligations and thereby reduce spending.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

The CHAIRMAN. The gentleman from Ohio is recognized for 1 additional minute.

Mr. GERALD R. FORD. So there is no question that the President has the authority, and we have agreed in the past for the President to exercise that authority.

Now, the difference today is that today we seek to impose our will to cut expenditures rather than leaving it up to the President himself.

Mr. MAHON. I cannot yield more time.

I will say to the gentleman that that is entirely in error.

The President indicated that in view of changing conditions he proposed certain holdbacks in obligations and expenditures, which was perfectly proper then. And it is perfectly proper now. It would be proper now for him to make such a decision. But the decision for us is to determine what we will provide him initially, by way of appropriations. That is the way we can save money and that is the only long-range way we can save money. The Bow amendment probably will save very little because the carryover money is available for expenditure next year, or the next year, and so on. The gentleman from Ohio does not rescind the money, he merely defers the expenditure of the funds through fiscal year 1968. Many of the funds are no-year funds.

Mr. GERALD R. FORD. The gentleman knows differently because the appropriation authority expires on June 30 and it will not be available for him to spend next year.

Mr. BOW. I just want to say to my friend, the gentleman from Texas, that I did not quite understand what he had to say about not saving any money. If the President said that he is going to spend up to $143 billion this year and we limit him to $131 billion—it looks to me like we are saving some money.

Mr. MAHON. I think it may be saving some money, but by no stretch of the imagination would it save $5 billion over the long pull, because the gentleman does not provide for a recision of those funds, but just says that the money cannot be spent in 1968 but it could be in 1969.

Mr. BOW. No; we limit him on what he is to spend for 1968, and then if the committee will have cut the appropriation for 1969, then we will have a chance.

It seems to me what we are doing here, Mr. Chairman, is simply this. We are saying, Go ahead with what we have in 1967. We are going to give you a $5 billion cushion. You can go above the amount in 1967. But then we are saying this year, this fiscal year, you are only going to spend $131.5 billion.

Then the Committee on Appropriations can report out the bills for next year and take that into consideration.

Mr. MAHON. The gentleman's point is that the postponement of the $5 billion is a postponement for this year only. But the gentleman says in next year's appropriations, we would reduce the appropriation by $5 billion and, therefore, we are really accomplishing a saving. But that is a rather tenuous argument.

Mr. BOW. I will close with just this comment.

There was $125,700,000,000 last year, that is 1967, which was spent. This gives him $5,800,000,000 more than he spent last year. That was a pretty plush Government last year. They got along with what they had and did a good job. I think we ought to put this limitation on so as to assure us and the taxpayers.

Let me just say that the $3 billion that was frozen last November went into the deepfreeze in November, with the President putting it there. He put it in the deepfreeze and there were great headlines about the economy that the President was exercising. But when the thaw came—and it came awfully fast—and the money came back out and was spent, there were very little headlines about how much was spent. Never yet have we found out—and there is just a little bit that was actually saved. So there were big headlines when the money was going into the deepfreeze, but when the thaw came and the money came out and was used, there were no headlines. There is only one way that the money can be kept in the deepfreeze and that is with an expenditure limitation saying: That is all you can spend. This is the only way we can do it.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, this is a kind of proposition which is always a matter of controversy and will be as long as we have two parties and three branches of Government.

So there is nothing startling about the present arguments. But I would like to review with you a few issues and facts which I consider important.

One is that the President himself has said that the situation now is considerably different from what it was in January when the budget recommendations were made. and that we must cut back spending. We, the Congress, must cut back, not that we call on him to cut back. Certainly I think in the minds of the Members of this Congress, and apparently in the attitude on the part of the public, the situation is viewed with much more alarm and with much greater discomfort than back in January. I know we must act and act now to hold back.

With that predicate to begin with, I would like to say that what we are dealing with here is—if we agree that the situation has changed and we are faced, as a result of the war, and the war expenditures, with the necessity to hold back spending, the question is: What shall we do about it? We must tighten our belts.

But my good friend, the gentleman from Ohio, did not state exactly what his amendment provides in the way of fair play or general application. He did not tell you he was leaving it up to the President as to where, while he only said how much. I would not say the gentleman did so intentionally because, as I said earlier, there is no finer gentleman or better Member of the House, than FRANK BOW, of Ohio. It may be this is the only way he thought he could get his limitation on spending adopted.

Mr. Bow's amendment provides that the White House, the President—and, of course, if you want to take it down, the line, the Bureau of the Budget, which is a vague place where you do not really know who decides—at any rate, the President would be given a directive to cut over all expenditures by a total of $5 billion from the 1968 budget recommendations, without providing guidelines, without restrictions, without recommendations. I know that my friends on the left might believe that the President would cut out things that would affect their interest, or they might believe he would save them; I do not know what he would cut out. I sometimes have an idea, looking at Budget recomendations, that my area suffers more from the lack of understanding in the executive departments than do other areas. I suppose other Members from other areas feel the same way about their section. I presume actually the Bureau of the Budget and the President do the best they can. I am sure, however, each would want some guidance.

In any event, the Bow amendment provides that the President must strike $5 billion in spending from the 1968 budget without a word of advice, a word of restrictions, or a word of limitation as to what he may favor or as to what he should eliminate.

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

Mr. WHITTEN. I will yield in a moment. I should like to complete my statement.

Mr. YATES. The gentleman said that the Bow amendment would strike $5 billion. The Bow amendment might strike much more than that.

Mr. WHITTEN. A $5 billion cut in some places is bad enough, would be fine in others. I want to discuss that, that is why I do not want to yield until I complete my statement. At any rate, as I read the amendment, it would reduce spending under the proposals in the 1968 budget by $5 billion, with no protection, advice, or restriction as to where. But, as my colleague from Mississippi has said, the point is, you will find no law other than the limited provision mentioned by my chairman, the gentleman from Texas, which gives the executive department the right to withhold funds

provided by Congress for projects, expenditures, and so forth as I say, when authorized and directed by the Congress. That is not to say he does not have the power.

I grant you that beginning, in view of the provisions of the Constitution he has the power to withhold projects because, the Executive being equal to the Congress, and the Congress being only equal, in the Constitution, to the President, we are powerless to do anything about it.

So the President has a power which he has exercised on occasion, and since we do not have the power to make him act differently, his action has the effect of right, so far as the result is concerned.

I believe we all recognize that a change has occurred and that the time has come for the President and the Congress to do something about it. We must, at least, with some exceptions, such as the war, hold back increases above 1967. And may I say with regard to the resolution before you offered by my chairman, Mr. MAHON, that I happened to be out of town for 2 days over the weekend, where I saw Ole Miss defeat Georgia, incidentally, and, fortunately, I thought, I was not here where I could go into his resolution in great detail with him, though I had been over the problem repeatedly earlier, I mention that fact because that which I did not approve, results perhaps partially because I was not able to present my arguments at the last minute.

Insofar as what I shall present to you at the moment, though I offered a similar proposal in the Committee yesterday, later withdrawing it, I did not have time to go over this proposal in detail with my chairman until last night after the resolution on behalf of the committee had been introduced in the House. But now if we be in agreement that we need to reduce expenditures below the present fiscal year's budget because of conditions, we ought to be sure that first we tie it to something that the Congress did and not to the Bureau of the Budget and its determinations.

So the provisions that I have prepared—would apply to the expenditures made, agency by agency and department by department, in 1967 as provided by the Congress. So our starting point is one fixed by the Congress, agency by agency and department by department—contrary to the Bow amendment which would invite the President to keep what he wanted, and cut out what we may believe essential.

Then the other thing my amendment would do is to reduce expenditures back to the 1967 level by department and by agency. The Congress will then be acting on a prior fixed position that we fixed and would not invite the President to apply such holdback to things that do not lend themselves to cuts.

Mr. Bow's amendment does not protect anything from the "asked for" action of the President. I do not want to be a party to reducing expenditures that go directly to supporting our men engaged in the war in Vietnam. But there is no provision in his amendment at the desk which would grant such protection. I do not want to hold the construction of highways so badly needed by my actions, when the funds were put in a trust account for that purpose only and my amendment protects such construction. Do you? I do not want to cut social security payments or the old age assistance payments, or medicare, or other retirement benefits to people who have become eligible since 1967, and I do not believe you do.

In other words, if we must cut back, let us cut back from prior experience where we fixed the amount and be sure we do not do needless injury to our outstanding obligations to people or to our country.

Let us see what shall be excepted from cuts by my amendment. First, let me read what I shall offer. I quote:

Strike out all after the enabling clause and substitute in lieu thereof the following:

"That the joint resolution of October 5, 1967 (Public Law 90–102) is hereby amended by striking out "October 23, 1967" and inserting in lieu thereof "November 23, 1967" and by adding the following language:

"'*Provided further*, That for fiscal year 1968, unless hostilities in Vietnam and Southeast Asia should cease earlier, Federal spending of appropriated funds except the expenditure of trust funds by each Department and Agency of government, including the Legislative and Judicial branches, except for military expenditures of the Department of Defense directly related to our involvement in Southeast Asia, including pay of all military personnel, the payment of interest on the National Debt, payments under the Social Security Act, veterans and other retirement benefits, medicare and old age assistance payments, shall not exceed the amount expended during fiscal year 1967, except that the limitation on the Department of Transportation shall not be more than 95 percentum of the budgeted amount for 1968: *Provided further*, That where deemed necessary to maintain mail service, the President is authorized to exempt the Post Office Department from the provisions of this Act; and where it is deemed necessary to the collection of revenue, the President is authorized to exempt to the extent necessary the Internal Revenue and Customs Services from the provisions of this Act: *Provided further*, That such reduction of expenditures insofar as practical may be made by stretching out the time schedule of performance and payment on contracts so as not to require the elimination of new construction starts, and by each Department and Agency not filling vacancies.'"

There was no Department of Transportation in 1967, so I provided a restriction for that Department to the 1968 budget.

There are some things that are growing, such as mail service, and the number of people and collection of taxes, so I put these exceptions in here. The provision in my amendment might be said to be a freewill offering or a recommendation or what-have-you, but it is important to me, and I think it would be important to the Federal departments. This is the concluding paragraph, and this is back to the level they have been using all along:

Provided further, That such reduction of expenditures insofar as practical may be made by stretching out the time schedule of performance and payment on contracts so as not to require the elimination of new construction starts, and by each Department and Agency not filling vacancies.

Let me review briefly the points in this. One, we start with 1967 actions of the Congress in fixing expenditures. We start there. Second, we call for the reduction or hold back to that level, but on those things where there should not be cuts and where in justice we could not afford to cut, I exempt those, such as old-age assistance and the rest. Then on the Department of Transportation I make an exception, tying it back to the Bureau of the Budget, because we had no prior history. Then I make it possible for the President on mail service and collection of revenue, where if in his opinion, it is required, he can waive the limitation as to internal revenue and post office as circumstances may demand.

Then I provide that in meeting this objective, to the extent possible, so as not to have to eliminate projects, to delay initiation of projects and drag out contracts and the rate of progress and rate of payments and not fill vacancies to the extent that those are practical.

I do not think we should just send any official, including the President, an unlimited directive to cut out $5 billion in expenditures where he might please, as the Bow amendment would do. I do not think the President would do it, but he could cut it all out of Republican districts. I say again, I am sure he would not. He could cut it out of what we believe in. He could just cut it out, period, without rhyme or reason or excuse.

Let me point out also, as I said, and we know it, the President of the United States has the power not to spend a dollar, and we are helpless to make him do it. But he does not have that right. If Congress sends the Bow amendment down there, then we have invited him to do it. He will then have the right to act as he wishes and say he is only carrying out the mandate of Congress. He will have complete freedom as to where to apply such reduction for we would then have placed the meat ax in his hands.

I do not want any part of it. I do not believe my friend from Ohio wants to go home having invited the President to apply that cut to these items which I have excepted in the amendment I shall offer. I do not believe he could live with it.

Really, I have used the word, President, where perhaps I should have said "the Executive."

My arguments are not directed to any individual but to you the Members of Congress. You or rather we, should live up to our responsibilities.

Remember, the President asked the Congress to hold back. It is my colleague from Ohio who wants to send the message back to the President: You cut—where you please—and I am sure wherever the President pleased would not suit Mr. Bow—and I feel sure it would not suit me.

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

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

Mr. ANDREWS of Alabama. It has been said there will be a savings of around $5½ billion with the so-called Bow amendment. Could the gentleman tell us approximately the savings under his figures?

Mr. WHITTEN. I thank my friend from Alabama for raising the question. I neglected to say one of the key parts here.

Actual spending in 1967 was $125.7 billion. The budgeted amount for spending in 1968 is $136.8 billion. The difference between actual spending in 1967 and the budgeted amount for 1968 is $10.8 billion.

When we take from that these things which I have felt we must except, the best I can figure the reduction under my amendment would be about $7 billion.

Mr. ANDREWS of Alabama. I thank the gentleman.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, my good friend and distinguished colleague, the chairman from Texas, started out by saying that this resolution was numbered 888 and, therefore, we were three times behind the eight ball. I have another interpretation of that. I feel it is very significant that it is 888, because under his proposal the Post Office Department would be behind the eight ball, the Treasury Department would be behind the eight ball, and the taxpayers would be behind the eight ball.

First, Mr. Chairman, let me say that if we are sincerely going to make cuts—and I am pleased to hear the gentleman from Florida is going to offer an amendment in regard to the legislative branch and the judiciary, which I will support—I hope we will start by cutting our own salaries by at least 5 percent. I hope we will go on to take some of the frills out of this House, such as cutting the salary of the House Postmaster. Here is a man who deals with 435 Congressmen and earns more money that the postmaster of Chicago. Do you realize how many millions of people live in the city of Chicago? And yet our own private Postmaster has a salary substantially larger than the postmaster of Chicago.

I also hope we can cut out about half of the Capitol Police force. Anyone who comes up our local streets in the morning and sees these fellows tripping all over each other, understands that this could be accomplished with no problem at all.

We could easily do away with some of the House of Representatives patronage by taking the elevator operators out of the many automatic elevators we have in the House of Representatives.

I certainly hope, on the other hand, that we will not make cuts here that will cripple the Post Office Department and the Treasury Department, and that would prevent the Treasury Department and the Internal Revenue Service from collecting the revenues that we need to run this Government.

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

Mr. CONTE. I am glad to yield to the gentleman from Texas.

Mr. MAHON. This bill was brought out as a vehicle to let the House work its will. If the Members of the House do not feel there should be any reduction in personnel in the Post Office Department or in the Internal Revenue Service they have a right to work their will. We are providing a vehicle here. Perhaps the House will not agree with these provisions. I believe, myself, they are too stringent and I shall support adjustments.

Mr. CONTE. I admire the gentleman's effort here. I have supported every amendment brought forward recently to limit our Federal spending and I will do the same today, provided that those amendments are not going to cripple the vital services needed by the American public. But if the latter is going to be the result, I will not go along with it.

This would be killing the goose that lays the golden egg, and that has just never made much sense to me.

We are dealing here with revenue-producing agencies. Those are the ones who will be hurt when we cut down and say they must absorb the pay raise. The bulk of the employees are in the Post Office Department, more than 716,000.

Many of them are in the Internal Revenue Service. These are the agencies you will hit.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a question?

Mr. CONTE. After I am finished, I will be glad to yield. Let me tell you this: The Post Office Department came up before our committee last week on the basis of a hypothetical 5-percent cut in their expenditures which amounted to about $278 million. The amendment proposed by the gentleman from Texas will amount to over $384 million in the Post Office Department. This will be about $100 million more of a cut for the Post Office than would result from applying a 5-percent cut, as is mentioned in the Bow amendment for all Government expenditures. These are the services that the Post Office Department would have to eliminate with a $278 million cut. They would have to eliminate Saturday delivery service on business routes. They would have to provide only one delivery per day on 5 days of the week on business routes. They would eliminate Saturday delivery on city residential routes. They would convert all rural delivery to 3 days a week. They will eliminate delivery on 1 additional day per week on city residential routes. They would forgo planned extension of rural routes. They would not convert presently eligible homes from curb to door delivery service. They would return to 1966 levels by reconverting converted door delivery service back to curb delivery.

Mr. YATES. Mr. Chairman, will the gentleman yield to me on that point?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I attended the hearing as well and I asked the witness whether the same kind of paralysis that existed in the Chicago post office for a period befor Christmas last year would continue again. He said it would not only continue in Chicago but in other major post offices throughout the country.

Mr. CONTE. Thank you. The cut would also mean a freeze on city delivery and they would undertake no new extensions. It would reduce parcel post delivery service to 5 days a week.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CONTE. It would close 1,000 post offices. It would close all the windows in first- and second-class post offices 1 day a week. It would restrict Saturday collection service to the Sunday schedule. They would have to schedule work force so as to gain a 2-percent increase in clerical productivity without regard to delays in mail. It would eliminate all postal work on Sunday and reduce overtime 50 percent. In the $17 million reduction in transportation, it would eliminate all the enroute distribution of mail, and shift mail from passenger-type trains to freight or truck, and eliminate all special dispatches by star route.

Now, if I may finish, that is based on a $274 million cut as opposed to over $384 million as proposed by the gentleman from Texas.

Mr. STEED. Mr. Chairman, will the gentleman yield for a question?

Mr. CONTE. I am glad to yield to the gentleman.

Mr. STEED. In a recap of this I would like to tell my colleagues that the Department says the impact of this, instead of being $388 million, will actually be $452 million. So the situation is even worse than the gentleman is describing.

Mr. CONTE. I wish I had the time to go into what this would do to the Internal Revenue Service. It would mean the firing of 7,500 people concentrated in the collection and intelligence service of the Internal Revenue Department.

Mr. Chairman, I certainly hope when this bill gets into the amending stage that an amendment will be proposed—if one is not, I will propose one—to eliminate the Post Office Department and the Treasury from the Mahon resolution.

Mr. MAHON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Michigan [Mrs. GRIFFITHS].

Mrs. GRIFFITHS. Mr. Chairman, it has been my understanding from the beginning that the difficulty in cutting expenditures as a means of controlling the budget is, of course, exemplified by the problems we have been having. Nobody wants to name the cuts, and if you do name the cuts, many people oppose those cuts. I would like to ask the proponent of each resolution this: Each of you has tried to save social security to make sure that the recipients of social security or any other trust fund would receive their payments.

Now, Mr. Chairman, the truth of the matter is that if we cut the personnel handling the trust funds we are going to delay the time it takes to get those social security checks to them.

Perhaps, Mr. Chairman, many Members on the other side of the aisle are not having any trouble in their respective districts with reference to this problem. However, anyone who is serviced by the social security office out of Chicago is having trouble.

Therefore, I would like to know what the proposed amendment which as proposed by each gentleman would do in the matter of personnel for all of these trust funds, first; and second, I would like to

know what the effect would be, if you do not touch the personnel for each trust fund or the Post Office, what the cumulative effect upon the rate of all other expenditures will be? Then, I would like to make clear my own position.

I was one of those Members who voted to table the tax bill. I did this because I want to know where all of these cuts are going to be made. I am not for making any cut in any funds that come into the city of Detroit. And, if the rest of you want to cut something out of your district, I shall be glad to assist you in doing so.

The CHAIRMAN. The time of the distinguished gentlewoman has expired.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Chairman, I would like to ask two or three questions.

The Administrator of Veterans' Affairs, at my request, has advised me of the possible impact of the enactment of this resolution. This is what he says:

In the field of general operating expenses it would cause "backlogs" of "substantial numbers by year end" in the field of compensation, pension, education and housing benefits. In addition, "contact service for returning Vietnam veterans would be curtailed." This would be particularly felt in the compensation and pension adjudication actions of Vietnam veterans as recently liberalized under the provisions of Public Law 90–77. Generally, the impact of the joint resolution on general operating expenses "would be a significant curtailment of services to returning Vietnam veterans."

In the field of medical administration:

> The reduction . . . would seriously jeopardize (the Veterans Administration's) ability to provide adequate leadership and guidance for on-going programs and for further implementation of new medical services, education and training, and medical research.

For medical care in the 164 Veterans' Administration hospitals the resolution would impose "a reduction in force in the magnitude of 15,618 employees and maintenance of an average employment level of 118,799, as contrasted with a September cumulative level of 134,417 and budget level of 134,948." The net effect of such a reduction in force, if it should occur, "would necessitate a substantial curtailment of personnel ratio to patient and closure of hospital wards." In addition, "it would eliminate implementation of new and expanded medical treatment programs planned for in the budget, and it would defer activation of new hospitals recently completed." An overall effect of such a reduction would be to "cause the quality of medical care provided to veterans to deteriorate and cause Veterans' Administration hospitals to fall behind in the progress that has been and is being achieved in the rest of the medical community."

In the field of medical research, the resolution "would require a reduction in force of over 700 employees" and would prevent the Veterans' Administration from activating "medical research programs in new hospitals coming into operation."

I would ask the distinguished gentleman from Texas [Mr. MAHON] if, in his opinion, that statement is correct?

Mr. MAHON. First, the resolution provides on page 3 that exceptions will be made so that no personnel cuts are required if they are involved in connection with the war in Southeast Asia and those involving the safety of human life or the protection of property.

So, I would assume that hospital employees are engaged in activities involving human life and thus I do not think they would be touched by this committee action.

As to new hospitals recently completed, I would say that they would perhaps be deferred.

In respect to medical research, I doubt if the Director of the Veterans' Administration knows exactly what would result on this point and, frankly, I do not know with such precision and assurance myself. But there is a reduction provided for, across the board, in research.

We have gone in research funds since World War II from the sum of $800 million a year to over $17 billion a year. There is some effort in this resolution to make some reduction. But if the work of these people involve the safety of life and protection of property, that could be excepted. That is a question of fact to be determined on a case-by-case basis.

Mr. MAHON. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey.

Mr. JOELSON. Mr. Chairman, I take this time to discuss an amendment which I will offer later, which I am sure everybody will seize upon, because we all want to effect economies, and this is a do-it-yourself economy kit. It says this:

> Strike out everything after the first paragraph and add the following after the first paragraph:
>
> "The Bureau of the Budget shall within 60 days after the enactment of this resolution submit to each member of the House of Representatives a list of federal expenditures or obligations of expenditures in the Congressional district represented by each member of the House of Representatives for the 1968 fiscal year.
>
> "Such lists shall include salaries of federal employees, public contracts, public works, and grants or loans of federal monies whether given directly through the federal government or through an agency or department of a state, and all other sources of federal expenditure or obligation. Each member of the House of Representatives shall within 30 days after the receipt of such list submit to the chairman of the House Appropriations Committee a list of recommended elimination or reduction of federal spending in the Congressional district represented by him or her, such list of recommendations of reduction or elimination not to be less than 5 percent of all federal spending or obligation of federal spending in such Congressional district for the fiscal year 1968."

My amendment does not make the President do the cutting, nor does it apply the congressional meat-ax approach. It allows each one of us to suggest savings in our own Congressional district.

And I will say further that I am not kidding, I am very serious about this amendment.

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

Mr. JOELSON. Yes; I yield to the gentleman from Minnesota.

Mr. MACGREGOR. Mr. Chairman, I am delighted that the gentleman from New Jersey has put forth this idea. Two months ago I protested the decision by the Department of Justice to grant some $52,000 to finance a local law enforcement project within a municipality in my district. I received considerable heat for doing this. I would be happy to comply with the provisions in the gentleman's amendment, since I have already taken a similar step, and look forward to the opportunity to do so again.

Mr. JOELSON. I congratulate the gentleman.

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

Mr. JOELSON. Yes; I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I find this an interesting concept. However, how do we prorate the hundreds of thousands of bureaucrats that live here in Washington if we continue to hire them, as occurred in July of this year, at the rate of 33,000 a month, how do you plan to prorate them to the individual districts?

Mr. JOELSON. I would say that after we solve the difficulties at home we can then allow the gentleman from Ohio [Mr. BOW] to take the burden of the entire Nation on his shoulders. But, let us remember that economy—like charity—begins at home. In the words of John F. Kennedy, "let us begin."

Mr. RESNICK. Mr. Chairman, would the gentleman yield?

Mr. JOELSON. I yield to the gentleman from New York.

Mr. RESNICK. Mr. Chairman, I would ask the gentleman would the gentleman include the Post Office and social security payments at his district level?

Mr. JOELSON. I would allow each Member to recommend to the Committee on Appropriations, and the Committee on Appropriations will then work its own will, but they will have every expert recommendations.

Mr. RESNICK. Would the gentleman also include veterans' hospitals and such as that?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOW. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Chairman, I wish to express my appreciation to the gentleman from Ohio [Mr. BOW] for allowing me to take this time, inasmuch as I am not a member of the Committee on Appropriations.

Mr. Chairman, there has been discussion in the course of the debate this afternoon about a proposed amendment to save $142,375,000. That discussion centers about the appropriation for fiscal year 1968 for the civil supersonic transport aircraft. If recognized for that purpose, I will when we reach the amendment stage offer an amendment, which is now pending at the Clerk's desk, to effect this saving through recision.

Members of this House have heard me speak on the SST before. I have been endeavoring for a year and a half to pro-

vide an opportunity to substitute private financing for taxpayers' funds for this wholly commercial product. Not before in America's history have we taken hundreds of millions of dollars of the taxpayers' money to subsidize the development of a wholly commercial product.

The civil supersonic transport aircraft is a wholly commercial product. It has no military or defense purpose. Many people say to me, "Well, obviously, there is merit in your proposal, but America stands to lose its worldwide leadership because of the British-French Concorde and the TU-144 being developed by the Russians."

Let me respond to that. I am not proposing to kill the American supersonic transport. I am proposing to substitute for money from the general revenue fund of the Treasury, money from private investment sources to carry forward the supersonic transport development.

But I do not think anybody in this Chamber believes that the Russians are going to sell any supersonic transport aircraft on the world market. And you in this Chamber know that the British Government is in even worse financial trouble than we are. The British may well be about to pull out of the British-French Concorde development program.

The Concorde, even if built, has performance limitations which would not place it in competition with the American supersonic transport. Those of you who have studied these projects know that what I am saying is true.

Let me again emphasize that I am only seeking to save $142,375,000 in the SST development. I am not killing the program. We have $124.5 million in the SST pipeline—money that we have appropriated in previous years, including fiscal year 1967. There is $124.5 million that has not yet been spent. That money can be spent on the supersonic transport during the remainder of this year while we consider the alternative of private financing. There are many in this Chamber who have General Electric plants and Boeing plants in your districts. I do not criticize anybody in this Chamber for seeking to protect and fight for the economy of his district and the jobs of the people who live in his district.

America has some 135 GE plants. Both GE and Boeing have substantial order backlogs. You will not be hurting Boeing or General Electric if you adopt my amendment.

Mr. MAHON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ASPINALL], the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. ASPINALL. Mr. Chairman, I think we all realize what is involved in this particular matter this afternoon. What we need to do—in our responsibilities as members of the legislative and executive departments—is to acknowledge that we are in an expensive and difficult war. We should be willing to carry back to the people at home the fact that we too realize that there is a war and that we cannot have our cake and eat it—that we cannot live luxuriously and fight a hard war at the same time. What we should do now is win this war.

I would also suggest that this is a rather dangerous time in which to be playing partisan politics, and a great deal of partisan politics is wrapped up in what we are doing here today. Neither the Nation nor this body have the time for such partisan politics right now.

The resolution now being considered happens to affect an operation in which I am very much interested; and that is the Public Land Law Review Commission. We can live with it—and, if we have to, we shall live with it. However, it is not my opinion that this is the proper way to discharge the appropriation responsibilities of the Congress. The Congress is the appropriating body of our Government. Congress should accept that responsibility and be entirely honest with the people whom we represent. We should save money where it is possible to save. Where it is necessary to spend it we should spend it keeping in mind the needs of the day.

Mr. Chairman, I shall support any program that is honest in its attempt. But, it is only fair that I advise my colleagues now, just how the future activities of the Public Land Law Review Commission will be affected by the legislation now being considered.

Mr. Chairman, I bring to the attention of the Committee the effect that the nonselective, across-the-board reductions contained in House Joint Resolution 888 would have on one small unit of Government and probably on others.

As Members know, the Public Land Law Review Commission was established by the Congress as a temporary body to review all the public land laws of the United States and recommend modifications that may be necessary. Under a bill, H.R. 12121, that passed the House 2 months ago, the Commission's report must be submitted by June 30, 1970, but under existing law, the report must be submitted by December 31, 1968.

The act establishing the Commission also authorizes certain appropriations, and H.R. 12121 now pending in the other body would provide a new authorized ceiling on appropriations. I assure you, Mr. Chairman, that the limitation on appropriations that was approved by this body in H.R. 12121—namely, $7,390,000—is a realistic, conservative estimate of the cost of completing our job.

A reduction in expenditures this fiscal year will not in any way reduce the ultimate overall cost of the studies and could increase the cost by requiring a further extension of time if we are unable to accomplish as much as we have planned on an orderly progressive basis.

So that Members may be fully informed, I am including here a detailed analysis of the impact that House Joint Resolution 888 would have on the activities of the Public Land Law Review Commission.

Section 1: Not applicable; appropriations for the Public Land Law Review Commission are contained in Interior and Related Agencies Appropriation Act of June 24, 1967, Public Law 90-28.

Section 2: Between date of enactment and November 23, 1967, our inability to enter into new contracts would not be critical; however, in view of the difficulty we have experienced in recruiting for some of our positions, our inability to hire additional personnel might be critical. Our fiscal year 1968 budget and appropriation were premised on a total of 48 personnel, but the inability to obtain properly skilled personnel has resulted in our current strength of 34, including four consultants.

Should we, in response to our previous recruiting efforts, "find" a proper person for one of the "vacant" slots, we would be unable to fill it. In a small organization with a highly skilled professional staff, this might be, even in a short range, critical. Should such restrictions be carried beyond the very temporary period such as proposed by House Joint Resolution 888, the impact would be severe.

Section 3 would result in a reduction of $37,350 of the $747,000 estimated for personnel compensation and benefits in fiscal year 1968. This would, based on our average salary of $14,000 per annum, require a reduction of approximately two or three personnel, depending upon category of employment, even if the prohibition on hiring contained in section 1 were lifted.

We have followed the policy of not hiring people just for the sake of filling positions. The director and I believe it better to have a position vacant rather than fill it with an unqualified person. In the professional fields, we have utilized the services of consultants intermittently for those skills not on the permanent staff.

The reduction required by section 3 might be critical in view of the fact that in a small organization there is very little flexibility where our estimate of required positions was very stringently drawn in the first instance.

Section 4 would require a reduction of $23,950 of the $747,000 estimated employee compensation and benefits in fiscal year 1968 after deducting the 5 percent cutback required by section 3 and deducting first-quarter fiscal year 1968 compensation. Based on our average salary, this would indicate a further reduction of two personnel—a professional and a clerk—even if the prohibition on hiring contained in section 1 were lifted.

The total reduction of $61,300 employee compensation, based on our average salary, would require a reduction of four personnel.

A combination of sections 3 and 4 would mean therefore a 10-percent reduction in our personnel target. Should we be able to recruit the hard-to-find personnel, our inability to hire either permanent employees or temporary consultants would be critical.

Section 5: Not applicable to this Commission.

Section 6: Not applicable to this Commission.

In addition to the above, the combination of sections 2, 3, and 4 would preclude the Public Land Law Review Commission from obtaining bids for the accomplishment of the study of the Outer Continental Shelf on a schedule required to fit the needs of the Commission on Marine Science, Engineering, and Resources. Pending receipt of additional funds for fiscal year 1968 to fulfill our

contract program, the Director has taken the initial steps required for a temporary reprograming of personnel funds to make them available for the contracting of the Outer Continental Shelf study. The loss of these funds under sections 3 and 4 would leave us with insufficient funds for the estimated cost of the Outer Continental Shelf study. This could result in requiring the Commission on Marine Science, Engineering, and Resources to separately duplicate some of the work we would be required to accomplish as part of this Commission's work.

Mr. ULLMAN. Mr. Chairman, this is the first clearcut opportunity the House has had to vote on a proposal to reduce overall Federal spending in the 90th Congress.

Virtually every expert witness to testify before the Ways and Means Committee—whether economist, businessman, financier, or Government official—has stated that a $29 billion Federal deficit would result in a heavy round of inflation and an even more costly version of the credit crunch that staggered the economy in 1966. Such an inflation would hit hardest in the low- and middle-income range and would be a heavy and indiscriminate tax on the American people.

Faced with such a crisis, I do not see how any Member of Congress could invite such serious consequences by inaction.

It does no good to grasp for easy solutions, to resort to sad cliches, or to orate about the many other serious problems that face this Nation. We do no service to the solution of those problems if we stand by and permit our economic strength to be sapped by inflation.

We should face up to the fact that two corollary actions are essential to a solution:

First, Federal expenditures must be reduced during the balance of fiscal 1968 and for at least the first half of fiscal 1969.

Second, there must be an increase in Federal revenues.

Both of these actions are essential, but it is abundantly clear that the Congress will not approve a tax increase unless there are ironclad assurances of expenditure reductions in the order of $5 billion.

It has been argued that Congress should reduce current appropriations by that amount—and I support such action—but this would not serve as a guarantee that total expenditures for the period would be reduced. Thirty billion dollars of unobligated funds are in the Treasury pipeline, and control of those funds is required.

Throughout the consideration of this problem, I have worked for an agreeable accommodation between the administration and the Congress, but the President has refused to make the necessary commitments. In my view, we must now seek another course to fulfill our responsibilities.

I am now satisfied that the only way we can be assured that the necessary restraint will be exercised is to impose a statutory spending limitation on the President.

Mr. TUNNEY. Mr. Chairman, the Whitten amendment's approach to budget cutting is vastly superior to the Bow amendment. The Congress should take the responsibility for budget cutting and not leave it to the executive branch. I support the Whitten amendment and oppose the Bow amendment. There is no doubt that budget cuts are needed and should be spread over as many agencies and programs as possible without doing damage to our national interests.

Mr. RHODES of Arizona. Mr. Chairman, the House Republican policy committee supports a reduction of at least $5 billion in governmental expenditures. Immediate action must be taken to reduce the anticipated administrative budget expenditures for fiscal year 1968 from $136,500,000,000 to $131,500,000,000. The President's adamant refusal to recommend or to institute meaningful cuts in spending has made it imperative that Congress impose a ceiling on expenditures. The disaster laden cycle of tax and spend, inflation, and ballooning deficits must be broken.

In fiscal year 1960 the nondefense spending by the Federal Government was $48.6 billion. The estimated nondefense spending for fiscal year 1968 is $95.6 billion. This is an increase of 97 percent. In the 5-year period of the Johnson-Humphrey administration, the Federal Government has spent $60.487 billion more than it has taken in. The interest alone on this deficit will cost the American taxpayer $2.8 billion a year for every year it remains unpaid.

The second and third installments on the grandiose Great Society program are now due. In 1965 and again in 1966, when the Republicans were outnumbered two to one, President Johnson and his rubberstamp Democratic majority in Congress hastily enacted a flood of new and extremely costly programs. This was at a time when the cost of the Vietnam war was continuing to escalate and it was completely foreseeable that it would soon reach its present rate of $2 billion a month. The combination of Great Society spending and increased defense expenditures has resulted in an inflationary spiral that has now reached an annual rate of 4.4 percent. Moreover, the cost of living has risen 12.6 percent since the Democrats took office in January of 1961.

Since 1961 the Democratic administrations have embraced the philosophy of unlimited Government spending and budget deficits. Despite repeated and ever more urgent danger signals, the Johnson-Humphrey administration has refused to put its fiscal house in order. It has consistently underestimated the cost of the war in Vietnam and the size of the budget deficit.

In January 1966, the Johnson-Humphrey administration submitted a $112.8 billion expenditure estimate that proposed defense expenditures of $60.5 billion. This was a totally unrealistic figure in view of the massive Federal spending. However, the administration continued to adhere to its original estimate. In fact, on September 8, 1966, the President not only reaffirmed the earlier estimate but assured the American people that total expenditures would be cut back by at least $3 billion. It was not until after the November elections that the American people finally learned the truth. In January 1967, the administration disclosed that fiscal 1967 expenditures would amount to $126.7 billion and not the $112.8 billion previously forecast.

Just last January the Johnson-Humphrey administration forecast a deficit of $8.7 billion for fiscal 1968. In June this figure was completely discredited when the administration was forced to obtain from Congress a borrowing authority that would accommodate a deficit of $29 billion. However, it was not until August 3, 1967, that the administration finally acknowledged the precarious state of the economy. On that date, the President forwarded a message to Congress wherein he urged the immediate enactment of a 10-percent surtax. In this message, it was stated that unless expenditures were tightly controlled and the tax increase imposed, the deficit for 1968 could be more than $28 billion.

The Republican Members of Congress have consistently called for a reduction in governmental expenditures and the immediate establishment of spending priorities. In March of this year, the House Republican policy committee urged the enactment of a resolution that would return the budget to the President and request that he indicate the places and amounts where he believes substantial reductions may be made. During the 85th Congress, President Eisenhower responded to a similar resolution by recommending reductions of $1.342 billion in a budget of $73.3 billion. The Democratic-controlled Congress has refused to grant this resolution any consideration whatsoever.

As the economic indicators have become more and more alarming, the Republican call for economy in Government and a reduction in expenditures has been echoed and reaffirmed in almost every quarter.

The Joint Economic Committee has called for a reduction or deferral of low priority and nonessential spending. This would, according to the committee, reduce the anticipated deficit and the Government's demand on the financial markets and leave more funds to private borrowers and would lower interest costs.

Almost without exception, those testifying before the House Ways and Means Committee regarding the President's request for a 10-percent surtax stated that governmental expenditures must be reduced. It also was noted that a reduction in expenditures has a far greater dampening effect on the inflationary fires than an increase in taxes.

The distinguished chairman of the House Ways and Means Committee, Representative WILBUR MILLS, Democrat, of Arkansas, stated in an October 9, 1967, U.S. News & World Report interview:

> I think the first order of business, even though action on Appropriations bills hasn't been completed, is to relay to the Government departments instructions that they must reduce spending by a fixed amount.
>
> Now, I would feel much better about it if we could have some advice from downtown—from the Budget Bureau and the White House—with respect to where each individual program might be trimmed.

The executive branch, in my opinion, has a lot better idea of where there may be excesses in the budget—excesses over what is really needed, or what somebody thinks is needed—than does Congress. If any of these excesses can be eliminated, we should be told.

Even President Johnson has joined those who are concerned by the present inflation. In a recent statement he acknowledged that:

All taxes are burdensome but the cruelest tax of all is the inflation tax.

Most prophetically it was just 15 months ago that President Johnson also stated:

When these folks start talking to you about inflation, you tell them that is something you only have to worry about in Democratic Administrations.

Real expenditure control must be achieved by examining and making basic changes in the mushrooming Great Society programs. To date, the Johnson-Humphrey administration has refused to consider this approach. It demands its tax increase in return for dubious promises of future frugality even though it is a fact that whatever funds are made available to this administration are always spent. According to the October 15, 1967, edition of the Washington Sunday Star, the President opposes the drive to force him to cut spending and is "concentrating now on escaping blame for the distress he expects to afflict the economy because Congress refuses to raise taxes."

One of the underlying reasons that this Congress is unwilling to grant a tax increase is the well founded doubt that the additional revenue would be used to reduce the deficit. If the President is really sincere about wanting a tax increase, he must take the first step toward reestablishing his fiscal credibility. He must at least cooperate in making a significant cut in the expenditure level of this Government.

There must be restraint in Federal spending and an immediate implementation of expenditure priorities if we are to avoid a runaway economy that may lead to governmental control of wages, prices and credit, as well as further increases in taxes. This can be achieved through the Republican proposed limitation on governmental expenditures. We urge its adoption.

Mr. BROYHILL of Virginia. Mr. Chairman, later on, at an appropriate time during the reading of the bill for amendments, I intend to offer an amendment to section 6 of the bill which will reduce the appropriations for the Office of Economic Opportunity from the amount of $1,400 million as provided in the bill, to an amount of $1,200 million.

The bill itself provides for a reduction of last year's expenditures from $1,687 million. My amendment will make a further reduction.

I realize that the main objections that many of my colleagues will have to this amendment is that it does not make enough of a cut in the appropriation for this agency. I agree with them. However, this amendment is offered as a compromise pending what I hope will be further reductions in the very near future.

I should like to point out that a reduction to $1.2 billion would, in effect, mean a reduction of $860 million in the President's budget in view of the fact that he had requested in his budget an appropriation of $2,060 million.

In my opinion the war on poverty has been one of the worst boondoggles in the history of our Nation. All of us are against poverty and want to prevent human suffering and despair. But this program, Mr. Chairman, has been a miserable failure and has not materially contributed to reducing poverty and human suffering. Its records are full of examples of waste and mismanagement. In fact, since the Office of Economic Opportunity was created in 1964, 75 percent of all of the agency's appropriations has been spent for administration and overhead.

Most of us agree that we must cut back on needless spending. In fact, that is the thrust of our debate today. Obviously there is no easy place to make the cuts, and obviously there is a great deal of buckpassing when it comes to determining who should "bell the cat." But, if we are going to make any cuts at all, we must cut the poverty program, because this is where the greatest amount of waste happens to be, and here is where we can specifically make clear our intention to cut back on this type of waste.

As a matter of fact, the House has on several occasions expressed its disappointment in the poverty program, and on two specific instances in recent weeks the House has by indirect action emphatically voiced its disapproval. The most recent instance was last week during the debate on the Federal employee pay bill when an amendment was adopted to preclude the employees of the Office of Economic Opportunity from receiving the increase. It was not the intention of the Members of the House to discriminate against the career civil service employees who happen to be working for the Office of Economic Opportunity, and I am confident that this discrimination will be corrected in the Senate or in conference. The effect of that amendment, however, was to let the RECORD show that the House of Representatives did disapprove of the waste in the agency caused by unnecessary hiring and too many high salaries as well as additional employees.

The second instance was when during the debate on the juvenile delinquency bill language was inserted specifically precluding the Office of Economic Opportunity from receiving any of the funds provided by the legislation.

Mr. Chairman, this was indirect action. My amendment will be direct action. We will show emphatically that we want these errors to be corrected. We want improvement in the program. In effect, we want to clean up the mess.

My amendment will serve as a warning to the administrators of this program that unless they tighten their belts and eliminate waste the Congress may abandon their program entirely.

Frankly, I think they should.

Mr. OTTINGER. Mr. Chairman, earlier in today's debate I said I intended to support the Whitten amendment. I carried out this intent on the teller vote which adopted the amendment in committee. I did this because I think it is essential for us to cut nonessential Federal spending. As I said before, of the various undesirable alternatives, I far prefer this cut to an unfair tax surcharge or to letting the national debt soar out of sight.

The addition of the Broyhill and Passman amendments to the Whitten amendment, however, makes it impossible for me to support the resulting package on final passage.

It just seems insane to be cutting $680 million from the Office of Economic Opportunity program at a time when the problems of poverty, urban and rural, are growing at such an alarming rate. Yet, this is what the Broyhill amendment would do.

With all its problems of administration, and there have been many, the OEO program has done a remarkable job of tackling the problems of poverty, getting resources devoted to resolution of these problems—both private and public resources, of State and local government as well as Federal—finding the answers to the complex problems of poverty, and trying out new approaches. A virtual revolution of knowledge has taken place in this field since this program, one of the proudest and best accomplishments of President Johnson, was started.

Sure, there have been administrative problems. The agency has been exploring uncharted waters. Sure, there have been false starts and errors made. Were it not for these errors, we could not learn the approaches that will produce results.

I think Sargent Shriver deserves great praise for his heroic work as Director of OEO. He certainly deserves kudos for sticking at the job and maintaining his enthusiasm and creativity in the face of all of its problems, challenges and the hard time given him by so many Congressmen, mayors, and private groups whose ox was somehow gored, justly or unjustly.

I cannot support this kind of wholesale destruction of the antipoverty program at a time of greatest need for it, when the poor are close to revolution because of their plight.

Do we want to see massive bloodshed in this country, a true revolt of the poor against our insensitivity? What hope can the poor derive from legal recourse to their Government when we turn the back of our hand to them in this way? Are we not just inviting trouble?

The cut made by the Broyhill amendment will be particularly serious as applied to ongoing programs, and some will certainly have to be cut. What do you think is going to be the result of tossing youngsters out of Headstart classes, of abruptly ending child medical care programs in midstream, of tossing dropouts out of Job Corps camps and vocational training courses? Not only is this a course of irrationality and cruelty, it is a course of danger.

The Broyhill amendment is not a cost-saver by any means, either. Do you really think it costs society less to rectify the damage of a delinquent, hire the police necessary to apprehend him, pay the freight to incarcerate and feed and guard him, than it is to educate or train him and enable him to avoid a life of crime? On the broader scale, you certainly can't think that the damage done to Detroit or Newark are economically worth the candle of the money saved.

And, what about the Passman amendment, cutting the heart out of our foreign programs? Did you never absorb the truth of the addage that an ounce of prevention is worth a pound of cure? Would you really prefer $2 billion a month military solutions to all our foreign relations problems?

Again, the foreign aid programs have many faults, and I have been among the first to criticize them and indicate ways in which I think they could be improved. I have spent most of my working life dealing with the problems of Latin America, participating in our aid and Peace Corps programs there. The solution certainly is not to end the programs but to improve them.

I, for one, should far prefer to spend $3 billion a year helping Latin American countries stand on their own feet in face of the threat of communism than spend $30 billion a year and countless lives of our youth battling to rectify Communist intrusion on the continent. I would far rather help build the Alliance for Progress into a better program for aiding the Latin nations to help themselves than have to repeat actions like that in Vietnam and the Dominican Republic there.

The Broyhill and Passman amendments bring us to the heart of the expense-cutting problem, the question of priorities. Certainly spending should be cut, and I have voted against better than $11 billion of it already in this session. But it is folly, economically, socially, and every other way, to cut the programs essential to our national health and safety while leaving in perfect tact the pork-barrel programs and the special interest subsidies. I just cannot go for that.

I therefore shall oppose the Whitten amendment as so sadly amended by Messrs. BROYHILL of Virginia and PASSMAN, and I fervently hope that you will do the same.

Mr. O'NEILL of Massachusetts. Mr. Chairman, the record votes of the 89th and 90th Congresses show that the House of Representatives categorically opposes construction of the Dickey-Lincoln powerplant. It would provide no redeeming water resource development benefit to compensate for its enormous cost of over one-third of a billion taxpayer dollars, and its continuing annual tax loss of $3 to $5 million.

Mr. Chairman, I would like to make it clear that I and others in southern New England oppose Dickey-Lincoln, sited in northern Maine, for the reason that it would provide the three southern New England States of Massachusetts, Rhode Island, and Connecticut it would be built to serve, with high-cost power.

In 1975, the average wholesale cost of Dickey-Lincoln baseload and peaking power would be not less than 1.67 cents a kilowatt-hour, according to the findings of the House Appropriation Committee investigative staff.

In 1965, the average wholesale cost of power to the municipal utility systems of Massachusetts was 1.33 cents a kilowatt-hour. Due to wholesale rate reductions effected since then it is less today, and it is scheduled to go even lower by 1975, according to the FPC national power survey.

Mr. Chairman, it has been brought to my attention that—notwithstanding it would have a powerplant efficiency index of minus 60 percent—it has been asserted that Dickey-Lincoln could serve as a so-called yardstick for New England power costs. I must point out that, as shown by the recent decision of the Federal Power Commission presiding examiner in the western Massachusetts license proceedings, the cost of Dickey-Lincoln peaking power would exceed the cost of providing equivalent power by private industry's new, taxpaying facilities in New England by more than 34 percent. A powerplant that represents an annual overcharge of more than 34 percent is not southern New England's idea of a yardstick for its power costs.

Mr. MAHON. Mr. Chairman, I ask that the Clerk read.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of October 5, 1967 (Public Law 90-102), is hereby amended by striking out "October 23, 1967" and inserting in lieu thereof "November 23, 1967".

AMENDMENT OFFERED BY MR. JOELSON

Mr. JOELSON. Mr. Chairman, I offer an amendment.

Mr. BOW. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixty-five Members are present, a quorum.

The Clerk will read the amendment offered by the gentleman from New Jersey.

The Clerk read as follows:

Amendment offered by Mr. JOELSON: Strike out everything after the first paragraph and add the following after the first paragraph:

"The Bureau of the Budget shall within 60 days after the enactment of this resolution submit to each Member of the House of Representatives a list of federal expenditures or obligations of expenditures in the congressional district represented by each Member of the House of Representatives for the 1968 fiscal year.

"Such lists shall include salaries of Federal employees, public contracts, public works, and grants or loans of Federal moneys whether given directly through the Federal Government or through an agency or department of a State, and all other sources of Federal expenditures or obligation. Each Member of the House of Representatives shall within 30 days after the receipt of such list submit to the chairman of the House Appropriations Committee a list of recommended elimination or reduction of Federal spending in the congressional district represented by him or her, such list of recommendations of reduction or elimination not to be less than 5 percent of all Federal spending or obligation of Federal spending in such congressional district for the fiscal year 1968."

Mr. MAHON. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the joint resolution. It would impose additional duties on the Bureau of the Budget and would require reports of committees which are not now required. It calls for action which goes in the opposite direction to the joint resolution, which proposes to curtail rather than to expand Government activities. I insist upon my point.

The CHAIRMAN. Does the gentleman from New Jersey wish to be heard on the point of order?

Mr. JOELSON. Yes, I do wish to be heard.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey on the point of order.

Mr. JOELSON. Mr. Chairman, the amendment is directed at the reduction of expenditures in each congressional district to the tune of 5 percent of the total expenditures in each district. As I understand the resolution under consideration, its purpose is to reduce spending by 5 percent. My amendment would merely establish a different way of accomplishing this purpose. Therefore, I submit that the amendment is germane.

The CHAIRMAN. Reading the amendment offered by the gentleman from New Jersey, in the opinion of the Chair the amendment includes a directive to the Bureau of the Budget and provides for an investigation by Members of the House and a review by the Committee on Appropriations. The Chair thinks the points made by the gentleman from Texas are well taken. The Chair sustains the point of order.

Mr. RESNICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am very disturbed and unhappy really that the amendment of my dear friend and colleague was not considered germane, because I thought it just about as effective and germane as the Bow amendment, which I understand is going to be coming up later for us to vote on.

If possible, I would like to draw the attention of my distinguished colleague and good friend from Massachusetts [Mr. CONTE] and ask if he will answer a question for me. I was following the argument of the gentleman from Massachusetts on the Post Office Department very carefully. Knowing him to be the expert he is, and the devoted and conscientious Congressman and legislator that he is, I heard him point out what would happen under the resolution.

I put to him this question: What would happen to the Post Office Department under the Bow amendment?

I presume amendments are going to be offered today to exempt the Post Office Department and the Internal Revenue Service and the Veterans' Administration and the Social Security Administration, and so on. The question I would put to my distinguished colleague and very

good friend and neighbor is: What would happen under the Bow amendment?

Mr. CONTE. The Bow amendment has nothing to do with the argument I was directing against the Mahon amendment. The Mahon amendment specifically says all these agencies must absorb the pay raise. Therefore, I had something to work with. The Bow amendment cuts down expenditures by $5 billion, and it is up to the President of the United States as to where he will apply that limitation.

Mr. RESNICK. Will the gentleman answer this question?

Mr. CONTE. He has $5 billion more than he did last year.

Mr. RESNICK. Would the gentleman answer this question for me? I think the figure has been very well established that, after taking out the exempt features of the Bow amendment, we have basically $21 billion to work with.

Mr. CONTE. It is $31 billion.

Mr. RESNICK. No. After taking out the exemptions for the Defense Department and social security, and so on, I believe we have $21 billion. There is $9 billion of the $21 billion which is in Federal salaries. Perhaps the gentleman can enlighten me, because the author of the Bow amendment has not enlightened me, nor has anyone else, as far as I know. I would ask: Where is this $5 billion going to come from? If the gentleman from Massachusetts says it cannot come from the Post Office Department, and the distinguished gentleman from Texas says it cannot come from veterans affairs, and I am sure the distinguished gentleman from Mississippi does not want it to come from Agriculture, I would like to know where the $5 billion is going to be cut from?

Mr. CONTE. The President may cut it out of the space program or out of the agricultural program. We can save a lot of money in the Agriculture Department, where we have more employees than we have farmers in the United States, or there are many other programs where it could be taken out.

Mr. RESNICK. I have yet to hear one specific place where $5 billion is going to come from.

Mr. CONTE. I just gave the gentleman one.

Mr. RESNICK. I think the Republican Party is evading its responsibility. The Republicans say they want to cut $5 billion, but they will not say where. When a suggestion is made that we will take it out of the Post Office Department, everybody says no. It cannot come out of veterans affairs or public works. Maybe there is some part of the Government I do not know about. Surely the gentleman from Ohio must have some idea where this $5 billion is going to come from.

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

Mr. RESNICK. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, when I directed my remarks to the gentleman from Texas, I did not disagree with him in regard to his argument on research and development, which I believe amounts to $1.7 billion.

Mr. RESNICK. If the gentleman will stick to the point, I am asking a very simple question. I say to my friend from Massachusetts, please tell me where $5 billion is going to come from?

Mr. CONTE. If the gentleman will give me the opportunity, I will. I say $1.7 billion on research and development, and maybe the rest out of Space and Agriculture, et cetera. Cut out all the subsidies. I realize that this may eliminate the gentleman on the Agriculture Committee, but it may be a godsend to him.

Mr. RESNICK. I am sure if the entire agricultural program was discontinued, my district would not lose a dime, because we do not get any subsidies in my district.

I say to the gentleman, in all honesty and sincerity, that never once has anybody on the Republican side said where the $5 billion is going to come from.

AMENDMENT OFFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Strike out all after the resolving clause and insert:

"That the joint resolution of October 5, 1967 (Public Law 90–102), is hereby amended by striking out 'October 23, 1967' and inserting in lieu thereof 'November 23, 1967'."

Mr. RYAN. Mr. Chairman, my amendment would present the House with a simple continuing resolution, extending the current resolution from the expiration date of October 23 until November 23, 1967. This, in my judgment, is what we should be doing in the House today. We should have before us only a continuing resolution for those agencies for which appropriation bills have not been signed into law.

I have been dismayed over the past month at the spectacle the House has been making. I am dismayed by the fact that we have before us this afternoon a resolution which would cut by 5 percent the cost of civilian personnel in all executive agencies, which would require the absorption of the 4½-percent pay raise, which would reduce research and development by 10 percent without any evaluation of priorities, and which would go to the very heart of the antipoverty program, which is the symbol of the Great Society, by cutting that program back to a rate that would be provided by an appropriation of $1.4 billion.

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

Mr. RYAN. I yield to the distinguished chairman.

Mr. MAHON. The gentleman has offered an amendment for a simple continuing resolution for 30 days. I am not authorized to speak for the Committee on Appropriations, but I would have no objection to the adoption of the amendment.

Mr. RYAN. I am sure the distinguished chairman would not. I would hope that all Members of the House would put aside the debate in which we are engaged and vote in support of this amendment.

Mr. Chairman, I urge its adoption.

Before we vote, let me use the balance of my time. It appears as though the specter of a large deficit has impaired our sense of responsibility and liberated a primitive urge to destroy Federal programs and disrupt the processes of government. Our colleague, the gentleman from Oklahoma [Mr. STEED], with whom I do not always agree, was quoted in this morning's New York Times as saying, "The House has lost its head."

If anything, this is an understatement. The resolution before us is the latest step in an alarming sequence of events which are slowly undoing the hard-fought legislative gains of the past 7 years. I wonder how many of us have given it the serious consideration it warrants.

Under section 3 agency payrolls are limited to 95 percent of the fiscal year 1968 budget estimates. Furthermore, under section 4 agencies are required to absorb the 4½-percent pay increase—6 percent for postal workers—internally by cutting back personnel. On the surface this looks like a total personnel cutback of 9½ percent, which would be damaging enough. However, according to Bureau of the Budget estimates, the consequences would be far more serious. Time is required to survey departments to determine where the cuts should be made.

In addition, employees must be given 30 days' notice, and payrolls must cover terminal leave and severance pay. It is anticipated that those terminated will be on the payroll until March 1. Therefore, the impact of the 5-percent reduction would occur in the last 4 months. The percentage payroll reduction would have to be prorated for all of fiscal year 1968 and telescoped in the last 4 months of the fiscal year. Thus, in order to absorb the effects of House Joint Resolution 888, an agency would have to reduce its payroll by 24 percent. This can hardly be met by not filling vacancies.

Let us look at a hypothetical case. Assume:

First. Payroll of $1,000,000 per month for 2,000 employees at average salary of $6,000 per annum;

Second. No change from 1967 to 1968; now at $1,000,000 per month level;

Third. Average terminal leave for employees who would be separated of 21 days;

Fourth. Severance pay equal to another month's pay;

Fifth. It takes 40 days from October 23 to determine who to fire and for RIF's;

Sixth. Thirty days' notice of termination;

Seventh. Employment severance actually begin January 1;

Eighth. Five-percent cut in personal service obligations; and

Ninth. Absorption of the 4.5-percent pay increase from October 1.

Then it would require 24-percent reduction in payroll or 480 employees to effect a reduction of $960,000, the amount of reduction required by sections 3 and 4.

The effects of a cutback of this magnitude are very damaging. For instance, a 5-percent cut in the Internal Revenue Service payroll, or $44 million, would result in reduced revenue collections of be-

tween $600 million and $1.3 billion, depending on the way personnel cuts are made.

A 5-percent cut in the Customs Bureau payroll amounting to $6.7 million will involve estimated revenue losses of $100 million to $250 million, not to mention such side effects as an unknown amount of increase in smuggling of drugs into the country.

The Post Office has reported that it may have to suspend second-, third-, and fourth-class deliveries and some first-class deliveries on Saturdays.

I do not point this out to suggest that the Post Office, Customs Bureau, and Internal Revenue Service be exempted from these provisions, but to illustrate how ill considered the entire resolution is. Undoubtedly, other agencies and public services would suffer as well.

The President has said repeatedly that we can afford both guns and butter. Now, the rising cost of war has raised the political price tag on vital domestic programs, and the House seems quite prepared to opt for guns without any serious debate on priorities. The threat of a $29 billion deficit is somehow seen as an eternal given, and few of us are pausing to consider how it got there. It is ironical that the President has structured the situation so that Congress sees it as a choice between a tax increase and cuts in domestic programs. As a result, the administration has set the stage for the gutting of its own domestic programs.

In adopting this resolution, we would be continuing the process of making grave decisions on national priorities by default. The Vietnam war bears principal responsibility for a deficit which may approach $29 billion. This may or not be detrimental to the economy. But, virtually without substantive debate, the House is deciding that the continued escalation of the war is worth the destruction of the critical domestic programs of the Kennedy and Johnson administrations, that it is worth wreaking havoc on Federal agencies by compelling a 25-percent cut in payroll. The House is also apparently deciding that this course is preferable to a tax increase or tax reform.

The deficit has simply provided the excuse. The antipoverty program, the symbol of President Johnson's domestic program, has been the object of attack as a result of the balance of these political forces.

On September 26 the House adopted an amendment to the Juvenile Delinquency Prevention and Control Act prohibiting the receipt of any funds by agencies administered or in any part funded or contracted by the Office of Economic Opportunity.

Last week OEO was excluded from the civil service pay increase. And now, under House Joint Resolution 888, the poverty program is again singled out for special treatment. Its annual rate of expenditure would be limited to $1.4 billion for the interim period, or 15 percent below the fiscal year 1967 appropriation.

If this reduction were carried over into OEO's entire 1968 budget, it would result in the reduction of 55,000 summer jobs for needy youths, the reduction of in-school assistance to another 40,000 needy students, and the reduction of training programs for 15,000 school dropouts. Further, 95,700 poor adults would be denied job training. The Job Corps would be cut by 17,000 enrollees. Twenty-two thousand persons on the welfare rolls would be denied job training for productive employment. Headstart would be reduced by 18 percent; Upward Bound by 31 percent; local health by 42 percent; and legal services by 20 percent.

If reductions are to be made, decisions should not be reached without a full understanding of the substantive programs which will suffer, and not through ill-considered budget slashing.

The report which accompanies House Joint Resolution 888 points out that House floor action has already cut administration budget requests by some $3.8 billion, including $689 million in Housing and Urban Development, and $167 million from Health and Education. This is over and above administration reductions from fiscal year 1968 authorized levels totaling $4.45 billion, of which over 70 percent is in the critical domestic areas of Health, Education, Housing, and Urban Development.

In summary, we have already had budget reductions of over $8 billion.

Our cities, our education, our health needs have already been shortchanged. While these vital programs are meeting a slow death by strangulation, the military construction bill, which increased spending by $1.3 billion over last year's level, sailed through the House on October 3 by a vote of 377 to 33.

In the name of fiscal caution the entire fabric of enlightened congressional attitude toward Federal responsibilities in social legislation seems to be unraveling, with no end in sight. This, too, is appeasement. And the administration is the unhappy captive of its own ploy.

House Joint Resolution 888 would set extremely dangerous precedents for the destruction of hard-fought programs through the back door. It would impose drastic administrative burdens. It would cut out vital services.

A great deal more reflection and consideration of the substantive issues at hand, consideration of national priorities and the true national cost of the Vietnam war must precede such a drastic step.

Therefore, Mr. Chairman, I again urge the adoption of my amendment which provides a simple continuing resolution.

Mr. ECKHARDT. 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 Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, I wish to associate myself with the gentleman from New York [Mr. RYAN] in support of his amendment. I believe that some of my colleagues on this side of the aisle are springing into the mouth of defeat to avoid being gobbled up.

Of course, the amendment which I understand is to be offered by the gentleman from Ohio [Mr. BOW] would destroy or seriously impair the progress that this Congress has made in meeting the problems of decay in our cities, of crime in the streets, of poverty, educational disadvantage, and discrimination, and of air and water pollution.

But, on the other hand, the limitations proposed by the Committee on Appropriations upon the extention of the joint resolution of October 5, 1967, Public Law 90-102, by House Joint Resolution 888 seems to me voluntarily to embrace defeat in anticipation of having the Bow amendment force defeat upon us.

I am for a frugal and efficient government, but I am not for our Government crippling itself to prove its frugality. Appropriations must be considered and recommended deliberately; and, when the House acts upon them, it should cut only with precision and intelligence.

I do not sense deliberation, precision, nor true economy in either House Joint Resolution 888, nor in the Bow amendment. Therefore, I would return to the previous deliberate, precise, and frugal action of the Appropriations Committee and of Congress. Such would be the effect of the Ryan amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. RYAN].

The question was taken.

Mr. BOW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RYAN and Mr. BOW.

The Committee divided, and the tellers reported that there were—ayes 107, noes 125.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. During the period beginning with the date of approval hereof and ending November 23, 1967, no executive department, agency, corporation, or other organizational unit shall make any obligation for any new construction, research, demonstration, training, service, or similar project or activity not directly related to the current military effort in Southeast Asia unless it is determined by the head of such department, agency, corporation, or other unit, under such overall guidelines as the President in his discretion may prescribe, that the project or activity requires obligations beyond administrative control, or involves the safety of human life or the protection of property, or involves the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums which are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law. No such department, agency, corporation, or unit shall make any obligation otherwise permissible for procurement of any goods or nonpersonal services that can, without impairing the national defense or welfare, be postponed during such period. No additional civilian personnel (or contract personnel in substitution therefor) shall be employed during such period unless it is determined by the head of any department, agency, corporation, or unit that it is necessary, within the limits of funds otherwise available, to do so in connection with the current military effort in Southeast Asia, the safety of human life,

the protection of property, or for statutory positions the exact number of which is fixed by law.

SEC. 3. Funds available or becoming available to the several executive departments, agencies, corporations, and other organizational units for obligation for civilian personnel compensation and benefits for the fiscal year 1968 (other than those relating to retired personnel, those directly relating to the current military effort in Southeast Asia, those involving the safety of human life or the protection of property, or for statutory positions the exact number of which is fixed by law) shall not be available for such purposes beyond 95 per centum of the amounts estimated therefor in the budget for 1968 (H. Doc. 15) as amended. Reductions pursuant to this section shall be applicable on an individual appropriation or fund basis to the greatest practicable extent without impairing essential functions, and such reductions shall not be offset by substitution of contract personnel. Amounts withheld from obligation pursuant to the provisions of this section are hereby rescinded and shall be covered into the Treasury, and amounts so withheld from obligation under corporate funds are hereby rescinded and shall revert to the source from which derived.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIKES: On page 2, line 24, after "the", insert: "legislative (except items pertaining to the Senate) and judicial branches and the".

Mr. SIKES. Mr. Chairman, I ask unanimous consent, in view of the fact that I have four amendments which are interlocking and which apply to exactly the same subject, that the remaining three amendments be reported and that the amendments be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. SIKES: On page 3, line 20, strike out "branch" and insert: ", legislative (except items pertaining to the Senate) and judicial branches".

On page 4, line 8, after "the", insert: "legislative (except pertaining to the Senate) and judicial branches and the".

And add a new section, as follows:

"SEC. 7. The rate of pay of no individual employee shall be reduced by the operation of this resolution."

Mr. SIKES. Mr. Chairman, I hope I may have the attention of the Committee. I support the Mahon resolution. However, in addition—very simply and very briefly—I am seeking to say to the Nation that the House is willing to take the same medicine it wants to administer to other Government agencies. The perfecting amendments which I have offered are intended to subject the legislative and judicial branches to the same terms and conditions described for the executive, and for the same period of time. The amendments will do no more and no less. The amendments would include the House, the judiciary, Government Printing Office, the Library of Congress, and the Architect of the Capitol. Under the usual rule of comity items pertaining to the Senate are not included. They will have to sweep around their own door.

Under the resolution as introduced, Cabinet officers, agency heads, et cetera, are generally exempted by the language "or for statutory positions, the exact number of which is fixed by law." This existing phrase would protect Members of Congress and members of the judiciary.

Now, the new section 7 which I propose, should be clear on its face that it is primarily designed to accommodate individuals whose pay is provided by small line appropriations, such as the Speaker's Office, the Chaplain, et cetera.

As I intend the language to read, it would also insure that the rate of pay of no individual employee of a Member would be reduced by the operation of the resolution itself. In those cases where a Member is using the full amount of his clerk hire it is intended that it would not be necessary for him to take a reduction in the number of employees, or in the amount of clerk hire, provided someone in position, such as the Disbursing Clerk, would assess the reduction against the total appropriation, offsetting against the total reduction the savings resulting from unused clerk hire on the part of Members who do not utilize the full authorization.

This will not be popular in some quarters. I am simply leaning over backwards in an effort to be fair. I do not believe the House can in good grace exempt itself from the restrictions on spending that we propose for others, nor do I see any justification for exempting the judiciary.

I would call attention that there is a saving clause in the resolution itself, in the Mahon resolution, which I quote, on page 3, line 9:

Reductions pursuant to this section shall be applicable on an individual appropriation or fund basis to the greatest practicable extent without impairing essential functions.

This would deal with emergency situations and I think provides the necessary protection.

I trust the amendments will be accepted.

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

Mr. SIKES. I yield to the distinguished gentleman.

Mr. ANDREWS of Alabama. I want to commend the gentleman for offering this amendment and I assure him that I am in full support of the amendment.

I will say further as chairman of the subcommittee for the legislative branch of the Government, I will do all in my power to see that our committee makes rescissions in line with the provisions of your amendment, if it prevails—and even if it does not prevail.

Mr. SIKES. I appreciate the gentleman's support.

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

Mr. SIKES. I yield to the distinguished gentleman, a member of the committee.

Mr. LANGEN. I thank my colleague for yielding.

Mr. Chairman, I rise to support the amendment of my colleague, the distinguished gentleman from Florida. Certainly this is a most appropriate amendment to the resolution now before us.

As we have now recognized, there is a substantial need for a reduction in expenditures in all phases of Government as the resolution provides. It follows that certainly the legislative branch and the judicial branch ought to be subjected to the very same provisions.

This is really the minimum contribution that we, as a legislative body, can make in view of the demands that are placed upon the budget of this Nation. It would seem to me that it is the duty of the legislative branch to set the kind of an example that we expect other departments of Government to follow. It has already been stated that there are many frills that we could well do without.

Now is surely the time to let the Nation know, that the House of Representatives is ready and willing to tighten its belt in the best economic interest of the Nation and the taxpayers. American boys are making great sacrifices for the preservation of our way of life and it behooves us as a legislative body to make whatever economic contribution we can. I know that it is alarming to recognize that we no longer can afford all of the services that now exist, but that is what the budget situation demands. The spending spree is over and its time that the House should recognize it. It is the generous spending of Congress for both war and domestic programs that has led to the excessive deficit of $26 to $30 billion. We now ought to be just as anxious to practice prudence as we are demanding other departments of Government to do.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking the gentleman from Florida some questions in an attempt to clarify this.

As I understand his amendment, if a person is using the full amount of their clerk hire, they will not be cut at all; is that right?

Mr. SIKES. This is my intention, but it is difficult to insure that this will be the case. As I pointed out in my statement, if someone in a position to do so, such as the Clerk of the House, will credit the clerk hire account with the unexpended funds in the accounts of those Members who do not use all of their clerk hire, it should not be necessary for any Member to take a reduction. If this were not done, it would be necessary for Members who use all their clerk hire to take a reduction in the number of employees or to cut salaries.

Mr. HAYS. But if everybody were using the full amount, there would have to be a cut; is that right?

Mr. SIKES. In that case it would be up to the Member himself whether he would cut salaries of individuals—or to cut the number of employees.

Mr. HAYS. Let me ask you this. In my case I have three fewer than I am allowed. So you are going to take the money that I am not using and apply it to somebody else so that somebody else can continue their full amount; is that it?

Mr. SIKES. We are assuming that each Member is using the number of employees that is required for the proper operation of his office.

Mr. HAYS. This whole thing is about as phoney as a Confederate $3 bill. If it passes, I am going to put three more people on the payroll in the morning—before the Senate acts and it can become law.

Mr. SIKES. The gentleman is his own judge of the requirements of his office.

Mr. WYMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment.

As the gentleman knows, I reserved on this in committee. I think almost everyone here is in agreement that the same principle that we seek to apply to the executive branch should apply to the legislative branch and the judicial branch as well.

The situation described in remarks just made relating to the clerk hire rule can be easily handled by the Clerk because the percentage limitation applies to the aggregate clerk-hire base for all 435 Members as a group. If enough Members have enough slack to equal 5 percent of the group figure no changes will be needed. Of course, if Members all fill their clerk-hire allowance before passage, then we will be subject to a 5-percent reduction the same as the executive branch.

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

Mr. WYMAN. I yield to the distinguished chairman of my committee.

Mr. MAHON. I want to make this statement in order to make some legislative history. Is it not true that the purpose of the Sikes amendment is to enable all Members who use all of their clerk-hire allowance to continue to use their clerk hire, if they need to do so, and Members who do not use all their clerk hire at the moment will not be restricted in using their clerk hire?

But if there are funds left in the account for the payment of clerk hire, I understand the Sikes amendment would provide a 5-percent reduction in those funds. I understand the gentleman from Florida [Mr. SIKES] has offered the amendment in such a way as not to make a reduction in the pay of any employee on "the Hill," as we would not make any reduction in the pay of any other employee in the Government.

Mr. WYMAN. That is correct. If there is a 5-percent slack in the aggregate clerk-hire payrolls of Members at the time the amendment becomes applicable, due to the fact that Members have not used all of their payroll allowances, then the amendment would simply cut available base by 5 percent. For practical purposes this would have no tangible effect except as a limitation on the amount of base available for future commitment. This is the same as the resolution would apply to the executive branch and Government agencies.

However, if every Member goes out after this discussion today and employs up to his full allowance, the 5-percent reduction, according to the amendment, will of course then have to be applied by the Clerk across the board to all Members. I think it is important that this be understood in view of the remarks of the gentleman from Ohio.

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

Mr. WYMAN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Is it not a fact that if a Member does not use all of his clerk-hire funds, they go back to the Treasury anyhow?

Mr. WYMAN. That is correct. They are simply a credit unused for each monthly period.

Mr. PUCINSKI. I do not understand what you are trying to prove, since all the money goes back, not merely 5 percent. The whole sum you have not spent goes back to the Treasury at the end of the year.

Mr. WYMAN. At the end of each month. What is sought to be done, as I understand the pending amendment, is to in effect rescind or reduce the aggregate clerk hire available to members by 5 percent, but if this percentage is available at the time of enactment by virtue of unutilized clerk-hire base then nobody is adversely affected except in terms of ability to commit these funds in the future.

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

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

Mr. HAYS. The thing I object to is that I have already tried not to use any more clerk hire funds than I need. I object to being made the goat by some Members who would like to get themselves on record but who in the meantime have been using all of their clerk-hire funds.

Mr. WYMAN. The gentleman is not being made the goat at all. The amendment would apply the same rule that the resolution would apply to the downtown agencies. You, individually, are not being made the goat at all. Should every Member proceed to commit all his clerk hire funds then the limitation would apply across the board. The fact that you have not seen fit to use all your individual funds, and some other Members have not used their funds, for you to say that since the cut will be made, therefore we should use all the money available, would not help, as I see it, because the cut would then have to be made across the board.

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

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

Mr. HAYS. I am going to put them on because these fellows who are using all their funds ought to sacrifice a little bit, too, and do something besides talk.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. MAHON. Mr. Chairman, I rise for the purpose of undertaking to clarify the situation confronting the House. I wish to make it clear that we would not tolerate and, as chairman of the committee, I would not tolerate any reduction in any Member's clerk-hire funds that the Member requires for the operation of his office, whether he is at the moment using all of his clerk-hire funds or not. If there are funds remaining after Members have used all the clerk hire they desire within the limit of what the law allows, the cut of 5 percent would be made from those funds.

The purpose of the Sikes amendment and its principal objects are the General Accounting Office, which has a budget of some $52 million, the Library of Congress, the Architect of the Capitol, and the other agencies in the legislative branch where there are more employees, and appropriations in larger sums, from which reductions can be made.

We would cut no one's pay and deny no Member the right to employ from funds he may not be presently using. I would hope that the House would accept this interpretation and let us get on with the issues before us.

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

Mr. MAHON. I yield to the distinguished gentleman from Oklahoma.

Mr. ALBERT. Do not the funds that are not used by Members for clerk hire go back to the Treasury?

Mr. MAHON. They do.

Mr. ALBERT. What is the use of applying this amendment to the funds of Members of Congress?

Mr. MAHON. The amendment would also apply to the whole of the legislative branch, which includes the Library of Congress and the General Accounting Office.

Mr. ALBERT. If a Member is not using all of his funds—and I would say that a big percentage of the Members do not, or at least do not use them all the time—if you would cut them 5 percent, does that mean that next month when he puts on an employee that he can put on the full amount of his base or 5 percent less than the full amount?

Mr. MAHON. He could use the entire base. That would be my interpretation of the amendment. The purpose of the amendment is to cover the legislative branch as best it can be done.

Mr. ALBERT. It seems to me this needs some working on.

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

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

Mr. HAYS. Mr. Chairman, I would like to give a little illustration of how we are legislating in the dark. Does the gentleman have any figures as to how much has lapsed from the legislative branch already?

Mr. MAHON. We do not have those figures immediately available.

Mr. HAYS. We do not know. I have given back a great deal, and so have many other Members. It is probably 5 percent.

Does the gentleman know how this resolution will work on the State Department?

Mr. MAHON. On the State Department?

Mr. HAYS. They would have to lay off

800 employees, which they could probably do without, but at this time of the year it will cost more money to bring them home and give them annual leave, and so on, than we can save. I am going to vote against the resolution of the gentleman from Texas and the Bow amendment and all the rest.

Mr. MAHON. Mr. Chairman, I would hope we would accept the Sikes amendment with the assurance that there is no provision that could be interpreted to withdraw from a Member the right to hire what the law now allows, or that it would cut the pay of the people in his office, which would be ridiculous and absurd. We are not reducing pay to individuals in the executive branch.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment and in an effort—I might say a very desperate effort—to understand it, particularly as it might relate to the General Accounting Office. Is it the intent of the gentleman that the funds for the General Accounting Office be reduced by 5 percent?

Mr. SIKES. I see no reason why any agency of the Government should be exempt from this general economy drive, and it would apply to personnel in the General Accounting Office. I trust the gentleman recognizes they should be just as careful about economy as any other agency.

Mr. MOSS. It is for the precise reason that the gentleman in the well is interested in real economy—in real economy—that he opposes reducing funds to the General Accounting Office. I know of few areas in this Government where we can invest dollars and produce more savings than in the General Accounting Office.

It is my opinion that it is utter foolishness to cut the funds for the auditing arm of the Congress at the very time when many programs are as yet not fully tried, as we expand the military activities, as we move all around the world involving this Nation's interests, that we cut off a part of the effective auditing arm of this Congress. I think it would be a tragic error, and if for no other reason—forgetting the legerdemain that goes on in this supposed reduction of our own forces—if for no other reason—than to preserve the forces in the General Accounting Office, I think this amendment merits a resounding defeat.

Mr. HOLIFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just like to ask the gentleman from Florida [Mr. SIKES] if he would also like to apply this to the military employees, civilian and uniformed? If not, why not? I am not talking about the boys in Vietnam. I am talking about the boys in the plush chairs over in the Pentagon.

Mr. SIKES. Mr. Chairman, if the gentleman wishes a response, will he yield to me?

Mr. HOLIFIELD. I would like the gentleman to respond, and I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the language of the Mahon resolution applies to civilian employees in the Department of Defense, exempting only those who are directly associated with the conduct of the war in Vietnam.

Mr. HOLIFIELD. Mr. Chairman, how many of the military in the Pentagon are directly associated with the war in South Vietnam, and how many are not?

Is there any way in the world of determining who are not directly involved?

Mr. SIKES. If the gentleman will yield, that information can not be definitely determined at this time, but I can assure the gentleman the great majority of civilian employees in the Department of Defense are not directly associated with the war in Vietnam.

Mr. HOLIFIELD. But the gentleman's amendment does not include them.

Mr. SIKES. My amendment does not. They already are included in the Mahon resolution. Those civilians not directly associated with the war in Vietnam are limited in the Mahon resolution. They are not exempted.

Mr. HOLIFIELD. How many Members are willing to take a 5-percent cut in their own salary today? We are getting so holy on the subject of economy.

I see about a dozen hands up. That is about par for the course.

Mr. SIKES. The gentleman would get a better test if he were to offer an amendment for such a cut.

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, for at least 15 minutes I was on the floor seeking recognition, and the Chair did not recognize me, and I do not like it.

Now I want to say this: for a number of years, and without any advertising it to gain acclaim and voter favor, I have saved money for the taxpayers by not using my entire clerk allowance, and I intend to continue in the ways that satisfy my conscience and doing it silently as a matter of course. I do not write to my constituents and say, "Other Congressmen may do this, but your Congressman does not." I credit my colleagues, all of them, with the same integrity with which I in my humble way approach the performance of my office.

But the proposal that I have heard today and that is embodied in the pending amendment is shocking beyond belief. It is the most brazen proposal ever made in a legislative body to my notion. It is as simple as that: If the gentleman from Ohio, WAYNE HAYS, and the gentleman from Illinois, BARRATT O'HARA, and others—I think a great majority of my colleagues—do not use all their clerk allowance, those who do use it all can benefit from the savings of their colleagues and still get credit in the sunshine of publicity for taking a nonexistent 5-percent cut.

What do we call that? It is phony economy. For the first time in the many years I have been a Member of this distinguished body I feel a sense of nausea and shame.

That is all.

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

Mr. MILLER of California. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. TIERNAN].

Mr. TIERNAN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise to express warm affection for my good friend from Florida. I know he is sincere in offering this amendment, and I know it is his desire to save money. He is a valuable Member of this body, and I am proud to serve with him.

But I want to say that this amendment points up the evil of what we are doing today. This body has set up an Appropriations Committee. It is the biggest committee in this House of Representatives. Ostensibly it is one of the most powerful. It is one of the hardest working and busiest.

We are in an awful mess here because the Senate has not acted on the appropriation bills. Had they done so, we might be able to have a better idea of where the expenditures stand. We are desperately trying to retrieve control over appropriations, because of the fact that the Senate has not acted and of the fact that we have to continue the day-to-day expenditures of Government to keep the Government going.

The way this matter should be handled is to let the Senate finish acting, to continue the appropriations, to bring the matter back and then have another look, if the Appropriations Committee wishes so to do, to see where economy is to be made. This would be responsible government.

To legislate in this frantic, hasty, careless, irresponsible way, without having a full idea of the effects of the legislation before this body and the impact of the cuts upon the Government, is really the poorest kind of legislation.

I recall as a boy in the 80th Congress when they cut like this. They cut off a tremendous number of people who were Internal Revenue Service employees, with the result that Government tax revenues dropped right out of the bottom. The result of this was that the cuts which were supposedly economy cuts wound up costing the taxpayers far more, far more indeed, than the savings which were supposed to come from those personnel cuts. This is an example of what we are doing today.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from Florida [Mr. SIKES].

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 66, nays 134.

So the amendments were rejected.

AMENDMENTS OFFERED BY MR. STEED

Mr. STEED. Mr. Chairman, I offer two amendments and I ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. STEED: On page 3, line 6, immediately following the comma, insert the following: "those involving the protection of the revenues and essential postal services,"; and

On page 3, line 25, immediately following the comma, insert the following: "those involving the protection of the revenues and essential postal services,".

Mr. STEED. Mr. Chairman, despite the fact that there is evidently a great deal of difference of opinion about what we are trying to do here today, surely we can all agree that in the great activities of our Federal Government there are some things we do that are just a lot more important than some other things we do. And, since the approach here today is an across-the-board approach, I have offered these amendments to exempt these two phases of our Federal activities, Mr. Chairman.

Mr. Chairman, it is my opinion that if the members of the Committee of the Whole House on the State of the Union fully understood what this resolution, if adopted, would do to these agencies, and if it became law, no one of you would want it to apply to these particular agencies.

First, Mr. Chairman, permit me to say that the subcommittee of which I am chairman which handles the budgets of these two agencies, has already held three meetings upon the question of recisions. In other words, we are in the process of determining which recisions can be made, and where they can be made.

Mr. Chairman, my desire is to give these agencies involved, and to give the House of Representatives an opportunity to work within the limits of the provisions of the proposed resolution.

However, in the meantime, I think all of the members of the Committee of the Whole House on the State of the Union should remember this. This resolution, if adopted, will have a double impact upon these very important agencies due to the fact that if it is adopted it will cut back to the extent of 5 percent upon personnel in one section, and require the Post Office Department to absorb a 6-percent pay raise in the next section.

In other words, Mr. Chairman, this represents an 11-percent cutback which if this resolution is adopted would impose upon the Post Office Department.

Mr. Chairman, I remind the members of the Committee of the Whole House on the State of the Union that we have had our full budget recision hearings on the budget of the Post Office Department. They have gone through approximately 4 months of their fiscal year, as has the Treasury Department. Since this 11-percent cut would be applied to the remaining 8 months of their budget, it would have the actual effect of bringing about an 18-percent reduction in their activities.

Mr. Chairman, the Post Office Department presently has 716,000 employees, which includes 31,600 which the Congress of the United States allowed them in their budget request this year. These people are already on board.

Therefore, if you apply this reduction to the Post Office Department, you are going to require them to absorb this 18-percent cut. In other words, they will have to discharge for the remainder of this year 132,000 postal employees. I can assure the members of the Committee that such action, if followed, will wreck the American postal system.

Mr. Chairman, I say this especially at this time. Are you going to do this right at the time when they are coming into the heaviest portion of their year—coming into the Christmas season of the year?

Mr. Chairman, if this is applied to the Internal Revenue Service they will lose 2,100 additional employees, and in addition to that they will have to absorb this 4.5-percent pay raise as well as the proposed 5-percent cutback, which is going to require a $44 million cut in their budget. During the remaining 8 months of their budget year, they will have to lay off 7,500 of their people.

Mr. Chairman, if they are compelled to do this, they will have to shut down activities that will cost this Government this fiscal year an estimated $1,295 million in collections and $270 million of this comes from interest alone.

Mr. Chairman, it seems to me that this is a foolish thing to undertake to curtail the ability of a revenue agency to bring in some more money. In other words, it makes just about as much sense as a farmer would make if he ate his own seed corn. We would lose more money by this procedure than we are trying to save.

Mr. Chairman, I cannot see how any Member of this Congress would possibly want these two very, very important agencies of this Government to curtail their activities by creating a situation which this resolution would accomplish, if adopted.

Therefore, Mr. Chairman, I would hope that the Members of the House will take into account the funds involved for these particular agencies and realize that they are of great importance and of such great importance that we cannot afford these cutbacks that could better be applied to some other activities of the Government.

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

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

Mr. HAYS. Mr. Chairman, if I thought the Senate would buy this and if I thought that this thing would pass, I would be delighted because if we had to cut back rural deliveries to 3 days a week and if we had to cut back city deliveries to 4 days a week, this would represent a different situation. You know, a lot of Members do not realize that the American people are not illiterate, and that they could read the record, would find out who did this and, boy when they realize this we would have a lot of new Members in the 91st Congress.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before commenting on the amendment by the gentleman from Oklahoma, I would like to place in the RECORD explanatory material which appears in the report and which is of great importance in the consideration of the legislation before us.

I call attention to the following portions of the committee report:

SECTION 1—CONTINUING APPROPRIATIONS

This is the fourth continuing resolution of the session. Section 1 extends the current resolution expiration date of October 23 by 30 days, to November 23 (Thanksgiving Day). Otherwise in this respect, it is identical in emphasis and scope to the current resolution (Public Law 90–38, as amended by Public Laws 90–75 and 90–102, the general terms and conditions of which are explained in House Reports 374, 596, 708, and 724).

While the outside date in this fourth resolution is November 23, it is just that—an outside date. Like continuing resolutions of the past, the terms of Section 1 cease to apply to an agency or activity concurrent with approval by the President of the applicable appropriation bill in which provision for such agency or activity is made. Thus, the scope of this section constricts as each regular bill is enacted; and it becomes wholly inoperative after the last approval.

Five of the 15 appropriation bills for the current fiscal year 1968 have been enacted and cleared to the President. They are: Interior, Treasury-Post Office, Defense, Legislative, and the Agriculture bill not yet signed by the President.

The conference report on the Transportation bill is filed and now pending on the House Calendar.

Five additional bills have passed both Houses and are pending in conference. They are Labor-H.E.W., Independent Offices-H.U.D., the space program (NASA), Public Works, and State-Justice-Commerce-Judiciary. Conferences have been held on several, and more are planned this week.

The District of Columbia bill is in committee of the other body.

Three bills are pending in the Committee on Appropriations where they have been awaiting legislative authorization; two of them still depend on authorization bills. They are: Military construction, which is to be reported shortly; Foreign assistance; and the closing supplemental in which will be considered, as a principal example, the anti-poverty program. These three bills currently involve about $9 billion of appropriation requests.

DELAYS IN APPROPRIATION BILLS

The Committee's original reporting plan, released on April 10, was to bring all of the regular annual bills for fiscal 1968 to the House during the period March 20–June 30. The last one, for the new Department of Transportation, was scheduled to be reported on June 30.

The first 9 bills for 1968 were reported on schedule, but all the others were, or still are, either wholly or in significant part delayed for lack of more timely enactment of a number of related annual authorization bills.

As Members know the Committee on Appropriations cannot, within the rules, report appropriations for any purpose not previously authorized by separate law.

Following is a tabulation comparing the original committee reporting schedule with the status of the annual bills for 1968, three of which remain to be reported:

ANNUAL APPROPRIATION BILLS AS OF OCT. 16, 1967

Bill	Committee reporting schedule, Apr. 10, 1967	Reported to House	Passed House	Passed Senate	Final congressional action	Notes
Treasury-Post Office	Mar. 20	Mar. 20	Mar. 22	May 23	June 29	
District of Columbia	Apr. 14	Apr. 13	Apr. 18	-------	-------	
Interior	Apr. 21	Apr. 21	Apr. 27	May 18	June 12	Bill omitted provision for saline water program for lack of authorization bill (budget $13,482,000).
Independent offices-HUD	May 12	May 12	May 17	Sept. 21	-------	Bill omitted NASA, budget $5,100,000,000, plus a couple of small items due to authorization bill delay.
Labor-HEW	May 22	May 22	May 25	Aug. 2	-------	Bill omitted antipoverty program, budget $2,060,000,000, and 10 or a dozen other programs, budgets totaling some $261,840,100, due to lack of authorization bills.
State, Justice, Commerce, and Judiciary	May 26	May 25	May 31	Oct. 11	-------	Bill omitted Appalachian item, budget $33,000,000 due to lack of authorization bill.
Legislative	do..	do..	June 1	July 10	July 24	
Agriculture	June 2	June 2	June 6	July 13	Oct. 10	Bill omitted an Appalachian item, budget $3,000,000, due to lack of authorization bill.
Defense	June 9	June 9	June 13	Aug. 22	Sept. 13	
Public Works	June 16	July 20	July 25	Oct. 10	-------	Delay, awaiting AEC authorization bill, budget $2,646,100,000, plus 4 small items, budgets $15,385,000 not yet authorized.
Transportation	June 30	July 13	July 18	Oct. 5	(1)	Authorization bill for Coast Guard (budget $107,014,000) was delayed slightly.
NASA	-------	Aug. 18	Aug. 22	Oct. 6	-------	Not originally scheduled as a separate bill; annual authorization bill cleared Congress Aug. 8.
Military construction	June 16	-------	-------	-------	-------	Awaiting authorization bill, budget $2,937,000,000.
Foreign assistance	June 23	-------	-------	-------	-------	Awaiting authorization bill, budget $3,818,736,000.
Supplemental	(2)	-------	-------	-------	-------	Awaiting various authorizations and any last-minute supplements otherwise.

[1] Conference report filed.
[2] Supplemental bill for 1968, for which no reporting date was set, is not listed, but it is scheduled to carry, in addition to any necessary last-minute supplements, such major items as the antipoverty program.

SUMMARY OF THE APPROPRIATION BILLS

The House has considered, at this session, 14 general appropriation bills—2 supplemental bills for the fiscal year 1967 and 12 regular bills relating to fiscal 1968. It has reduced the budget requests for appropriations by $3,989,000,000, of which $3,816,000,000 relates to fiscal 1968 bills.

Some $9,040,000,000 of specific budget requests are *presently* involved in the 3 bills still pending in the Committee on Appropriations of the House.

The committee will continue its efforts to recommend further reductions in the three remaining bills. Opportunities exist for further significant reductions that will very probably bring the total reductions in the House, in the 15 bills for fiscal 1968, to something approaching $6,000,000,000, not all which of, however, will hold through the conference stages.

Expenditure impact.—Of course, not all of *such a $6,000,000,000* of House reduction against fiscal 1968 budget *appropriation* requests would translate into an *equal* reduction from the budget estimate of *expenditures* (disbursements) *during* the same fiscal year 1968, for the simple reason that, like the normal pattern of events, it was not expected, and thus not estimated that anywhere near the full amounts requested for appropriation for fiscal 1968 would actually also be paid out within the same (fiscal 1968) year. Carryover unexpended balances for expenditure in subsequent years are a normal thing. But, generally speaking, a reduction in appropriation is nonetheless a reduction in proposed spending—in either the same year, the year following, or beyond.

A summary of the bill totals follows:

COMPARATIVE SUMMARY OF APPROPRIATION BILL TOTALS, 90TH CONG., 1ST SESS., AS OF OCT. 16, 1967

[Does not include any back-door type appropriations, or permanent appropriations [1] under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

All figures are rounded amounts

	Bills for fiscal 1967	Bills for fiscal 1968	Bills for the session
A. House actions:			
1. Budget requests for "appropriations" considered	$14,411,000,000	[2,3] $124,163,000,000	$138,574,000,000
2. Amounts in 14 bills passed by House	14,238,000,000	[2,3] 120,347,000,000	134,585,000,000
3. Change from corresponding budget requests	−173,000,000	−3,816,000,000	−3,989,000,000
B. Senate actions:			
1. Budget requests for "appropriations" considered	14,533,000,000	[2,3] 124,234,000,000	138,767,000,000
2. Amounts in 13 bills passed by Senate	14,457,000,000	[2,3] 123,374,000,000	137,831,000,000
3. Change from corresponding budget requests	−76,000,000	−860,000,000	−936,000,000
4. Compared with House amounts in these 13 bills	+219,000,000	+3,134,000,000	+3,353,000,000
C. Final actions:			
1. Budget requests for "appropriations" considered	14,533,000,000	[3] 85,955,000,000	100,488,000,000
2. Amounts approved in 7 bills enacted	14,394,000,000	[3] 84,094,000,000	98,488,000,000
3. Comparison— With corresponding budget requests	−139,000,000	−1,861,000,000	−2,000,000,000

[1] Permanent appropriations were tentatively estimated in January budget at about $15,212,066,000 for fiscal year 1968.
[2] Includes advance funding for fiscal 1969 for urban renewal and mass transit grants (budget, $980,000,000; House bill, $925,000,000; Senate bill, $955,000,000) and for grants-in-aid for airports (budget, $75,000,000; House bill, $65,000,000; Senate bill, $75,000,000).
[3] And participation sales authorizations as follows: Total authorizations requested in budget, $4,300,000,000; total in House bills, $1,946,000,000; total in Senate bills, $4,085,000,000; total enacted, $750,000,000.

SECTIONS 2 THROUGH 5 OF THE RESOLUTION

Sections 2 through 5 of the accompanying resolution present for the consideration of the House a number of selected economy proposals: a *temporary* general stop-order on new projects and activities and on deferrable procurement items; reductions in civilian personnel; absorption of increased civilian pay costs that would arise from the pay bill voted by the House last week; and reductions in research and development activities. These are submitted at this time especially in response to the desire manifested by a majority of the House when an earlier continuing resolution was debated and recommitted (without specific instructions) to the Committee on Appropriations on September 27, and the further debate had on October 3 when the substitute for the recommitted resolution was debated and adopted.

The committee report (No. 724, of September 28) on the substitute resolution stated:

"The committee will carefully review the appropriation actions of the session and determine whether or not it may, prior to adjournment, recommend recisions of appropriations previously made, giving consideration to the latest revenue outlook and other economic factors at that time."

In the subsequent House floor debate of October 3, various possible approaches, in response to the expressed desire for budgetary reductions beyond the multi-billion dollar reductions made and in prospect in the 15 appropriation bills, were discussed. The possibility of the rescission of funds previously appropriated was discussed. Postponements, deferrals, and stretchouts were mentioned. Expenditure ceilings were debated. It was stated also that consideration would be given to a more generalized approach as against line item rescissions, deferrals, or stretchouts.

Some committee meetings have been held in respect to those appropriations which have been enacted into law with the object of exploring specific rescissions and absorption possibilities. But with only 5 of the 15 appropriation bills cleared to the President it is not feasible to deal with the matter of rescissions on a line item basis even if it were otherwise determined upon. The amounts to be appropriated in the other 10 bills are not yet known; many of the items are still subject to conference adjustment, and some of course are not yet out of committee. A piecemeal or partial approach on a line item basis does not seem either logical or practical.

In the circumstances, then, what the Committee has done is submit some economy proposals on a general across-the-boards basis, but limited and pinpointed as to the objects involved except that in respect to Section 4 dealing with absorption of the civilian pay raise, wide latitude would be allowed to the Executive branch to make room for the absorption. This would comport with the practice of the past in connection with supplemental requests in the latter part of a fiscal year in which a general pay raise has been enacted in the sense that heavy emphasis is always put on absorptions, and provisions permitting transfers between appropriations to enable substantial absorptions within existing funds are commonplace in supplemental pay raise appropriation bills.

Approximate savings

There will be, of course, great interest in a dollar total of savings to be made under the terms of this resolution. Only a very rough approximation can be made, primarily because so many of the regular annual ap-

propriation bills are still awaiting final congressional action. Other contingencies and uncertainties are involved in any effort to arrive at precise numbers.

Briefly, the effect of section 2 is completely beyond reasonable estimation; section 3 should result in savings of roughly $560 million under the assumptions and caveats noted below; on the basis of H.R. 7977, as passed the House, section 4 would save $625 million; again with the assumptions and caveats noted below, section 5 would probably result in savings of $325 million. Thus, a very rough total, recognizing the uncertainties, would be on the order of $1,510 million after consideration of all other House action on appropriation bills to date, or $2,850 million disregarding reductions made to date.

The object and general dimensions and import of Sections 2, 3, 4, and 5 are explained somewhat more fully in the paragraphs that follow.

SECTION 2—TEMPORARY SUSPENSIONS

Section 2 is in the nature of a temporary restraining order—during the 30-day period of the resolution—against making obligations for any *new* construction, research, demonstration, training, service or similar project or activity—with certain generally delineated areas of exception; against making any obligation for procurements that can be temporarily postponed without impairing the national defense or welfare; and against hiring any new civilian personnel—again, with certain stated areas of exception. The major thrust of Section 2 is a general foregoing—a general "stop-order"—on making contracts of various sorts until the appropriation bills and other fiscal actions, and the amounts thereof, are legislatively finalized and become applicable to the functions of Government.

To some extent, the provision dealing with *new* projects or activities is duplicative of a prohibition customarily carried in continuing resolutions—and carried in the one now in effect—that forbids initiation of new projects or activities until they are provided in a regular bill in due course. But Section 2 is more stringent with regard to the 10 bills still in Congress and it also has application to the 5 bills already enacted.

SECTION 3—CIVILIAN EMPLOYMENT

Estimated Federal executive branch civilian employment, projected as of the end of fiscal year 1968, is 2,881,500 as shown in the 1968 budget. Of this total, 2,615,000 are permanent full-time employees and 266,500 are other than permanent full-time employees. The total estimated pay and benefits for these Federal civilian employees, as reflected in the 1968 budget, is some $23,350,000,000.

There is a widespread and long-held belief among many Members and others that some further reduction in civilian personnel positions would be a good thing—and of course effect some economies. An across-the-board reduction of 5 percent, required by section 3 of the accompanying resolution, applied to the total estimated cost of personnel compensation and benefits would presumably save approximately $1,170,000,000. Actual savings, however, will be some lesser amount because of the exemptions from this reduction of employment relating directly to the military effort in Southeast Asia and of employment required for the protection of life and property, the impact of which cannot be readily determined. The best rough estimate which can be provided under the circumstances is that the saving could approximate $900,000,000 or perhaps slightly less. The reductions in numbers of employees, or more precisely, in number of positions, would probably be in the neighborhood of 110,000. Amounts withheld from obligation under this section are rescinded.

It must be noted that the reductions which the House has made in the 12 appropriation bills for fiscal 1968, passed thus far, directly related to civilian employment, amount to about $340,000,000 involving some 42,000 positions—very roughly calculated. In instances where reductions made in the regular bills have already, or will result in a cut of 5 percent in budgeted civilian personnel compensation and benefits, the general reduction levied by Section 3 of this resolution would not require a further reduction.

It should be possible to achieve a great deal of the reduction by failing to fill vacancies which occur in great numbers. The chairman of the Civil Service Commission told the Committee earlier this year that the turnover rate has increased sharply in the last couple of years. He said that the "new hires" rate for fiscal 1968 was figured at 21 percent, involving some 788,000 employees.

In distributing personnel reductions required by this section, it is the intent of the Committee to require first reductions in departmental administration. The fountainheads of the ever-increasing bureaucracy should sustain the first blow. In this context, departmental administration means those elements of cabinet offices (or offices of agency heads) and other subordinate offices which have responsibility for policy, planning, and general management of departmental (or agency) functions, i.e., that force which is engaged in general supervisory and administrative direction and control of the various field forces. In turn, field forces are those engaged either directly or indirectly in locally executing law or other delegated or assigned functions. This definition is somewhat more broad than the former "seat of the government", or current reporting on the basis of location within the Washington, D.C., metropolitan area. Significant headquarters organizations exist far from Washington, D.C., particularly, of course, Defense activities.

In making reductions in civilian employment, the section specifically provides that contract employment shall not be resorted to in substitution. Further, it is the intent of the Committee that military personnel are not to be assigned in substitution in the case of the Departments of Defense and Transportation.

SECTION 4—COST OF INCREASED PAY

Section 4 of the accompanying resolution simply provides for the absorption, by the Executive branch, of the added cost of such civilian pay increase as may be enacted. The bill pending before Congress (H.R. 7977), as voted by the House last week, is estimated to cost $625,000,000 in the fiscal year 1968. That bill carried an amendment requiring absorption of the cost of the pay bill in fiscal 1968 to the extent that it exceeded the President's cost estimate—an excess of some $78 million. Section 4 of the accompanying resolution merely extends the absorption feature to the whole cost. Thus it is the intent of this section that the absorption be within aggregate amounts of appropriations and spending authority otherwise available during fiscal year 1968.

SECTION 5—RESEARCH AND DEVELOPMENT

In recent years the Federal Government has poured billions of dollars into public and private institutions and organizations, including colleges and universities, to finance research of one kind or another. In 1940, the Government spent only $74 million for research and development. During World War II the research, development, and production cost of the atomic bomb was about two billion dollars over a period of about three years. We are now spending more than eight times that much in a given year. Since World War II, federal appropriations for research and development have gone up from about $800 million annually to about $17.5 billion.

The purpose of Section 5 of the resolution, the research and development provision, is to save some money and manpower at a time of fiscal crisis, force a reevaluation of research projects, the resetting of priorities, the deferral of projects not essential at this time, and the elimination of marginal projects. It provides a limitation on research and development activities of ninety percent of the budget estimates (as shown in Special Analysis I). Funds withheld from obligation under this section are rescinded.

The limitation is applied to budget estimates so as not to further reduce funds where appropriations have already been or will be reduced by ten percent or more. Reductions in specific programs and projects, made in the regular annual bills, are not to be restored in whole or in part in the reevaluation and resetting of priorities stemming from application of this section.

The impact of Section 5 on the Department of Defense is calculated to effect a total reduction of roughly $340 million, including the $164 million reduction already made by the Congress. The intention of the clause, excluding items "directly relating to the current military effort in Southeast Asia or directly relating to the development, test, and evaluation of specific weapons systems" is to exclude funds under "Operational Systems Development", "Engineering Development" and "Advanced Development". The phrase "Funds available to" means "Total obligational authority".

Specific savings to result from the application of this provision are dependent upon a number of factors including Congressional action yet to be completed on several appropriation bills. It can be assumed, with reasonable assurance, that as a result of the operation of this section additional obligational authority will be withheld to the extent of about $325,000,000. House or Congressional action to date on the appropriation bills reflect reductions of just over $1,000,000,000 in obligational authority in R. and D. areas. Thus, if House actions can be sustained, and this section is applied, total reductions in research and development will approximate $1,325,000,000.

SECTION 6—OFFICE OF ECONOMIC OPPORTUNITY

Section 6 provides that obligations incurred by the Office of Economic Opportunity under the authority of the continuing resolution may not exceed the rate that would be provided by an appropriation of $1,400 million for fiscal year 1968. Without this special limitation the rate could be as high as that provided for by an appropriation of $1,687,500,000, the sum appropriated for fiscal year 1967. The limitation related to $1,400 million will provide for a continuation of the program at a funding rate approximately the same as that which has actually prevailed for the first 3 months of this fiscal year.

COMMITTEE APPROXIMATION OF FISCAL YEAR 1968 DOLLAR VALUE OF THE JOINT RESOLUTION

Topic	Rough value (gross)	Credit cuts made in the regular bills—by House	Residual value computed
Section:			
3. Civilian personnel costs, 5 percent from the budget estimates (with exceptions)	$900,000,000	−$340,000,000	$560,000,000
Defense, excluding Southeast Asia	(300,000,000)	(−166,000,000)	(134,000,000)
Nondefense	(600,000,000)	(−174,000,000)	(426,000,000)
4. Cost of increased civilian pay, absorb all of it (House version)	625,000,000		625,000,000
5. Research and development 10 percent from the budget estimates (with limited exceptions)	1,325,000,000	−1,000,000,000	325,000,000
Defense	(340,000,000)	(−164,000,000)	(176,000,000)
Nondefense	(985,000,000)	(−836,000,000)	(149,000,000)
Total	2,850,000,000	−1,340,000,000	1,510,000,000

Mr. Chairman, the debate here this afternoon has revealed that it is easy to be for economy in the abstract but often difficult to be for economy in some specific items. The pending bill would reduce appropriations by about $1.5 billion yet it has provoked a strong protest. At the same time postponements in appropriations totaling $5 billion in the abstract and without specification of where the cuts may be made seem not to produce so much concern in the House. Passing the buck to the executive branch for making reductions seems to be not too offensive to Members but specifing exactly where reductions ought to be made seems to cause great consternation. As Representatives of the people, we are not sent here to perform easy tasks. We were sent here to grapple with the stern realities and make the hard decisions in respect to the spending of the taxpayers' dollars.

Mr. Chairman, the gentleman from Oklahoma has moved that the reduction in personnel not be applied to the Post Office Department and to the collection of internal revenue. There is merit in his proposal. Please remember that the Committee on Appropriations was under mandate to bring in a bill to give the House an opportunity to practice economy and to make recisions. This we have done. The committee has provided the House with a vehicle.

The economy atmosphere of last week is somewhat altered when specific cuts came under scrutiny. The consequences of reductions are causing concern.

So here in this instance we have a very serious matter.

It is true, I believe, that some of the agencies are overstating the case, some of these "disaster" letters and fact sheets that are being passed around Congress are very impressive but somewhat misleading. That does not alter the fact that there is a great deal of merit in what Mr. STEED has said. I believe with Mr. STEED that some adjustments are in order. My object here is to try to put the whole problem in better perspective.

Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

AMENDMENT OFFERED BY MR. ROONEY OF NEW YORK TO THE AMENDMENTS OFFERED BY MR. STEED

Mr. ROONEY of New York. Mr. Chairman, I offer an amendment to the amendments offered by the gentleman from Oklahoma.

The Clerk read as follows:

Amendment offered by Mr. ROONEY of New York to the amendments offered by Mr. STEED: Add the following: "law enforcement personnel and overseas personnel."

Mr. ROONEY of New York. Mr. Chairman, my amendment to the pending amendment of the distinguished gentleman from Oklahoma [Mr. STEED] would further exempt all law enforcement personnel and overseas personnel. First, with regard to law enforcement personnel, we know what the situation is with regard to rampant crime in this country today. Are we going to ruin the efficiency of the FBI, the Immigration and Naturalization Service, the Federal Prisons System, the Bureau of Narcotics, the Secret Service, the U.S. attorneys and marshals and all the agencies concerned with law enforcement?

Second, as the distinguished gentleman from Ohio [Mr. HAYS] remarked a while ago, when you bring back for firing the 800 Americans from overseas who are employed by the State Department, you will be committing financial suicide. When you discharge them you have to pay them for accrued annual leave, severance pay, and then pay all their expenses to come back with their families, their household equipment and automobile, which expenses will more than offset any savings.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California [Mr. MILLER].

(By unanimous consent, Mr. MILLER of California yielded his time to Mr. ROONEY of New York.)

Mr. ROONEY of New York. Mr. Chairman, I sincerely thank the distinguished gentleman from California [Mr. MILLER] for yielding his time to me.

I have in my pocket a statement from the State Department indicating what this proposed legislation would do; not only would they have to institute a reduction in force of 800 Americans from overseas posts, but they would also have to fire 500 local employees, many of whom have been in the employ of the United States for a considerable number of years, and are highly valuable and trustworthy.

One of the compelling reasons for my offering of this amendment is to make it crystal clear that the pending resolution will not apply to the agencies I have mentioned. As an example, I set forth at this point a statement which I requested of the FBI indicating the consequences if House Joint Resolution 888 were to be applied against the FBI:

EFFECT OF HOUSE JOINT RESOLUTION 888 ON ITS FUNDS AVAILABLE PERSONNEL AND PROGRAMS

1. Sections 3 and 4 of the resolution pending before the House would mean an over-all reduction in funds pending before Congress of—$13,029,105.00. (5% cut in salaries and personnel benefits under Sec. 3 of $8,129,105 and pay raise cost absorption under Sec. 4 of $4,900,000).

2. This reduction in funds could only be effected by reducing its personnel, provided in its request pending before Congress, by 1,748 full-year employees (681 Special Agents and 1,067 Clerks).

"To accomplish this reduction in the eight months left in F.Y. 1968 would require (1) eliminating 2,643 planned appointments during the remainder of the F.Y. 1968 (175 Special Agents and 2,468 Clerks) and (2) removing from the rolls 11/1/67 a total of 1,688 employees (979 Special Agents and 709 Clerks)."

3. A savings of but $3,129,105 would be possible by the "not filling vacanies" approach—or 38.5% of the total required by resolution pending of $8,129,105. The remaining $5,000,000 or 61.5% would have to be effected through a reduction in force.

4. Such drastic cutbacks in personnel would require the FBI to sharply curtail or even eliminate its efforts in the organized crime, civil rights and general crime area of investigative activity. It would also have to cease or drastically curtail its service functions to other agencies and local law enforcement authorities such as fingerprint searches, name checking and scientific examinations. It would provide a "Hey Day" for Crime when the President and the citizenry are crying for crime control emphasis.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I want to call attention to General Release No. 153 that the Post Office Department put out today. It points out that business as usual is going on in the Post Office Department because a delegation of eight men headed by Assistant Postmaster General Dick Murphy is going to go to Bogotá to try to tell the Latin American nations how to speed up their mail.

Mr. Chairman, I suggest that they stay home and speed up the mail here rather than going to Bogotá.

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

Mr. DULSKI. Mr. Chairman, sections 3 and 4 of House Joint Resolution 888 as reported strike at the very heart of our postal service. The impact on the postal service certainly could not have been understood when this language was written in the resolution.

Nearly $450 million the Post Office Department would have to absorb would come out of the pockets of the city letter carriers, the rural carriers, the clerks, the mail handlers, and the other postal employees. These employees are the key to the entire postal operation. Eighty percent of postal expenses are for employees' salaries and benefits.

If a meat-ax reduction is imposed, as this resolution would do, and applied directly to employment, it would simply mean the loss of 100,000 or more postal jobs.

The Postmaster General has both the authority and the responsibility to cut service under these circumstances. The Post Office Department has a monopoly on first-class mail, and must deliver this top priority mail. If he has only enough money to hire enough employees to handle first-class mail, he will have to cut off all other lower priority mail. He certainly could not accept the vast quantities of second-, third-, and fourth-class mail and store it.

I have heard statements that any major reduction in service of a Postmaster General is "blackmail." I would say that the shoe is on the other foot; an arbitrary cut of $450 million in funds for personal services would force the Postmaster General, against his will—and contrary to the responsibilities of his office—to reduce or eliminate services he is ready, willing, and able to provide the public if only he is given the wherewithal.

Mr. Chairman, these glaring oversights in House Joint Resolution 888 would be corrected by the amendments offered by the chairman of the Subcommittee on Treasury and Post Office Appropriations, the gentleman from Oklahoma [Mr. STEED]. As chairman of the substantive committee, the Committee on Post Office and Civil Service, I urge the adoption of those amendments.

I include the following statistical statement at this point:

IMPACT OF HOUSE JOINT RESOLUTION 888 BY APPROPRIATION

1. *Administration and Regional Operation.*—Congress reduced the Fiscal Year 1968 personal service estimate by 5 percent. The reduction would have no additional impact on this area. However, the absorption of funding pay cost would require a cutback of 816 positions that were approved for this appropriation. A reduction in force would be required.

2. *Operations.*—The net impact on this appropriation for maintaining personal service costs at a 95 percent level would be a reduction of $218,166,000. This would require the elimination of 66,900 positions. The combined impact would be a reduction in funds available to maintain present level of service of $444,530,000 and elimination of 131,400 positions. This would require—

[Millions of dollars]

a. Embargo on 2d-, 3d-, and 4th-class mail	300.0
b. Eliminate Saturday delivery service on business routes	2.5
c. Provide only one delivery per day on five days of the week on business routes	1.7
d. Eliminate Saturday delivery on city residential routes	39.1
e. Convert all rural delivery to 3 days a week (language clarifying authority may be needed)	33.5
f. Eliminate delivery on 1 additional day per week on all city routes (residential and business)	28.0
g. Forgo planned extensions of rural routes	1.5
h. Do not convert presently eligible homes from curb to door delivery service	4.5
i. Return to 1966 levels by reconverting converted door delivery service back to curb	8.5
j. Freeze city delivery—undertake no extensions	13.0
k. Close 1,000 post offices and 50 percent of our contract stations	4.8
l. Close all windows at first- and second-class post offices 1 day a week	6.0
m. Restrict Saturday collection service to the Sunday schedule	1.3
Total	444.4

3. *Supplies and Services.*—The net impact on this appropriation for maintaining personal service costs at a 95 percent level would be a reduction of $556,000. This would require the elimination of 186 positions. The cost of absorption of the pending pay legislation would be $425,000 and the elimination of 142 positions. The combined impact would be a reduction in funds available of $981,000 and 328 positions. This would cause a reduction in force and the disruption of the postal supply service.

4. *Research, Development, and Engineering.*—The reduction in this account would be $2,314,000 for a flat 10 percent cut plus $206,000 and 34 positions to cover absorption of pending pay legislation. The total reduction in funds available would be $2,520,000. This cut would impede the Department's effort to modernize the postal service.

Summary of impact

	Million
5-percent personnel costs and benefits	$218.7
10-percent reduction in research	2.3
Pay costs absorption	231.0
Total	452.0

NOTE.—Impact on service has been calculated on a January 1, 1968, implementation date.

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

Mr. ROBISON. Mr. Chairman, I want to ask the gentleman from Texas, the distinguished chairman of the full committee—if he has time to answer—what will be the result of this amendment with respect to the recent hearings that the Steed subcommittee, on which I served, has had with respect to where savings could reasonably be made in the postal operation.

Does the chairman still hope that our subcommittee will continue on with that exercise?

Mr. MAHON. I am making no commitment at this time as to what the committee will do on rescissions or reductions in the future.

We have a bill before us now proposing certain reductions and we will await developments.

Here is an opportunity for Members to express their will on the vote for this amendment and on other amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WILLIAM D. FORD].

Mr. WILLIAM D. FORD. Mr. Chairman, I rise to support the Steed amendment. Mr. Chairman, just a few days ago the Members of this House followed our committee in adopting a new pay increase for Federal employees, including the postal employees.

You apparently believed us then when we told you about the tremendous problems that the Post Office Department is facing.

I submit to you that the worst kind of phony economy would be to cripple this very important Department of the Federal Government at a time when it is struggling with the heaviest burdens it has had in the history of this country. I guarantee you that the business community of this country is not going to thank this Congress if the mail service grinds to a screeching halt in the major business centers of this country and that is what could happen.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I rise in support of the Steed amendment.

Mr. Chairman, I doubt that there are 50 Members of this House who have not made a speech to postal organizations in the last few months telling them how much they loved them and how much they are in favor of comparability.

Yet, if this provision stands it will result in the immediate layoff of 130,000 postal employees. We will be saying to them, "Boys, we love you; to prove it, we gave you a raise last week—and now we are going to fire you." This amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I strongly support the Steed amendment.

I spoke at great length earlier today, in regard to what this amendment will do to the postal service and the Treasury Department and, therefore, I hope the amendment is adopted.

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

Mr. RESNICK. Mr. Chairman, I rise in support of the Steed amendment.

I would also like to offer an amendment to exempt air traffic controllers.

Not too long ago there was a terrible tragedy which resulted in 74 people being killed, including the Secretary of the Navy and his family.

I fly in and out of airports three times a week in a small plane and I know how essential air traffic control is. Are we going to cut back on that service and are we going to wait for the next crash for the sake of economy?

We held an investigation and everybody said that this is a terrible situation. Let us not cut back on air control and the people we need to keep these terrible, preventable accidents from occurring.

Mr. BOLAND. Mr. Chairman, I support the amendment of the gentleman from Oklahoma exempting the Post Office Department from the provisions of the resolution now being considered by the House.

Not to exempt the postal service would have a very serious impact on the Department. The resolution as has been pointed out by our colleague, the gentleman from Oklahoma, Congressman STEED, would in effect call for the reduction of $452 million in the budget of the Department. The budget for the fiscal year 1968 has already been worked on by the House Committee on Appropriations under the leadership of Congressman STEED, the chairman of the subcommittee, and the ranking minority member of the committee, the gentleman from Massachusetts [Mr. CONTE]. These two members and their fellow colleagues on their subcommittee are the best informed Members of the Congress on matters affecting the operation of the Post Office Department. We should listen and follow their advice.

To save the amount of the reduction of $452 million that this resolution would force on the Department would take some drastic and I believe undesired action. The Department indicates that it would cause the elimination of 132,578 positions. In the face of the mounting volume of mail, such a reduction in personnel would be disastrous in providing adequate mail service to the general public.

In the judgment of the Department, this reduction would place an embargo on second-, third-, and fourth-class mail until June 30, 1968. In addition, a delivery of first class and airmail would be reduced from the present 6 days a week to 4 days a week for both business and individuals. Additional curtailments in service would also be necessary.

Mr. Chairman, the imposition of an embargo is the only equitable way to effect the changes required. First class and airmail may be handled only by the Post Office Department. So, it clearly has the responsibility for maintaining those services. The users of these services pay in postage more than their cost. It is only reasonable that these services should be maintained to the fullest degree possible.

Several trillions of dollars worth of currency, checks, contracts, and valuable material of all kinds move as first-class mail. The maintenance of near

normal first-class service would seem to be the highest priority in the public interest—for the well-being of the economy, of business and of the public generally.

The above arguments to exempt the Post Office Department from the provisions have been detailed by the Department. I believe it knows better than other sources what the resolution entails for its own Department. I am convinced by its position and the information developed by the gentleman from Oklahoma, Congressman STEED and the gentleman from Massachusetts, Congressman CONTE. I join them in support of the pending amendment and trust that it will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON] to close debate.

Mr. MAHON. Mr. Chairman, I trust that the House will work its will on these amendments.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY] to the amendments offered by the gentleman from Oklahoma [Mr. STEED].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 67, noes 90.

Mr. ROONEY of New York. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROONEY of New York and Mr. MAHON.

The Committee again divided, and the tellers reported that there were—ayes 102, noes 131.

So the amendment to the amendments was rejected.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oklahoma [Mr. STEED].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 111, noes 72.

So the amendments were agreed to.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe it is one of the tragedies of our procedure here that we could not get a record vote on the amendment of the gentleman from New York [Mr. ROONEY] because a great many of our Republican friends like to have their cake and eat it too. They want to talk about crime in the streets. I believe it is fair to point out that of the 121 people voting to cut the FBI about 100 were Republicans.

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

Mr. HAYS. I yield to the gentleman from New York. I think he wants to talk about the Farm Bureau.

Mr. RESNICK. I had only 30 seconds to go into the air-traffic problem. The gentleman from Ohio flies quite frequently, as I do, and as most Members of this House do.

Does the gentleman not believe this is certainly essential to life and limb?

Mr. HAYS. Yes, I certainly do. All those Republicans who voted that way had better hope that I never get killed in an airlines crash, because I will haunt the hell out of them.

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

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

Mr. JOELSON. I thank the gentleman for yielding.

The gentleman pointed out the effect of the defeat of the Rooney of New York amendment, as to the FBI.

I should like also to point out that we now will have to cut civilian activities in Vietnam. Even the military men have told us those are just as vital to our military involvement in Vietnam as our other programs.

Under this program there is to be an across-the-board cut. In my opinion, it will cut a very vital aid program in Vietnam, which means more to the ultimate war and peace in that nation than our military effort.

Mr. HAYS. I used the illustration a little while ago of a "Confederate $3 bill." That is no reflection on the Confederacy, but they are not worth very much except as curios.

I saw one of my dear friends from Chicago who voted the other way. As chairman of the State Department Subcommittee, I believe I ought to write a letter, to make sure he does not use any car and chauffeur on his next trip overseas. We can save a little money there.

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

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

Mr. EDMONDSON. I was pleased to join the gentleman in supporting the Rooney of New York amendment. It is noteworthy that the Rooney of New York amendment extended to law enforcement across the board, and it would have safeguarded the retention of personnel in the Narcotics Bureau, as an example, which covers a serious and most important nationwide problem.

A vote against the Rooney of New York amendment was a vote against effective narcotics control.

Mr. HAYS. In other words, those people were voting for more "hippies" and more "pot."

Mr. JOELSON. Mr. Chairman, I move to strike the requisite number of words.

I should like to ask any Member who is in a position to know whether or not the language in this resolution which excepts military spending in South Vietnam would also except such civilian programs as AID in South Vietnam. I believe this is vitally important for the RECORD.

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

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

Mr. MAHON. If our aid in South Vietnam is not directly related to the war in Southeast Asia I am unable to comprehend the language. There is no cut whatever in South Vietnam, either in military or civilian personnel, because it is directly related to the current war effort in Southeast Asia.

The military effort and the civil governmental effort and otherwise are all a part of the same tactics.

There is no intent, and no language, which would support a cut of any war effort in Southeast Asia.

Mr. JOELSON. Would the gentleman say that a school in South Vietnam or Thailand is directly related to our military effort in Southeast Asia?

Mr. MAHON. I do not know what kind of school that would be. This would be a matter of decision by the executive branch, under the language of the resolution.

I submit that this is too vital a subject to speculate on.

Mr. RESNICK. Mr. Chairman, will the gentleman yield for a question?

Mr. JOELSON. I yield.

Mr. RESNICK. Would the gentleman, being on the Committee on Appropriations, know, would this also affect the school lunch and school milk programs?

Mr. JOELSON. I am not dealing with those now. I think it would affect every program except those specifically exempted, and those are not exempted.

Mr. RESNICK. They would not come under the heading of protecting the public health and life?

Mr. JOELSON. I did not take the time to answer questions, but to ask them. I might say that I have received "questionable answers."

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. PUCINSKI

Mr. PUCINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PUCINSKI: On page 3, line 3, after "those" strike out "directly relating to the current military effort in" and substitute "on active duty in".

Mr. PUCINSKI. What this amendment would do, Mr. Chairman, is simply provide that the same kind of cuts we are applying to all civilian personnel, including the personnel that the gentleman from Ohio was talking about so vehemently a moment ago, would also apply to civilian personnel in the Pentagon, the State Department, and the USIA and all of the other agencies except if they are on active duty in Southeast Asia.

I really do not know what the rationale is to blanketedly exclude at a time when we are trying to cut expenses here and trying to avoid a huge deficit—I do not know what the rationale is in blanketedly excepting and excluding from this legislation every civilian who happens to work at the Pentagon. You know as well as I do that if there is some way to tie themselves into Vietnam, they will find it. I do not know how many thousands of people work in the Pentagon and these related agencies, but I would guess and estimate that it involves probably 30,000 to 40,000 people. It seems to me there is just no logical explanation as to why the civilians working here in the United States, in the convenience and comfort of their homes and within the safety of the Pentagon should not bear the same brunt of helping to reduce Government expenses as everyone else.

It seems to me a perfectly logical amendment. It will not do any violence to our Vietnam effort. It will in no way adversely affect the war effort. It does not cover soldiers but only civilian personnel. It does not cover the civilian personnel, as the gentleman from New Jersey mentioned awhile ago, stationed

in Thailand, Burma, Vietnam, and Southeast Asia. It only applies to civilian personnel serving here stateside. I just cannot see what the rationale is in exempting these people. I will be glad to yield to the chairman of the committee who can perhaps explain what the rationale is in blanketedly excluding these tens of thousands of people who are really not running any kind of risk in the war effort. I wonder if the chairman or some other member of the committee would be good enough to explain this to me.

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

Mr. PUCINSKI. I yield to the chairman of the committee.

Mr. MAHON. The amendment of the gentleman from Illinois simply narrows the exemption which we have given. We have been most anxious not in any way to hinder the war effort.

Mr. PUCINSKI. We are not in any way hindering the war effort here. On the contrary my amendment will free more funds to expedite and increase the war effort.

Mr. MAHON. This bill restricts this and, in my judgment, applies it only to the people in Southeast Asia. There are people in Okinawa, in Guam, and the Philippines and other places——

Mr. PUCINSKI. How would we restrict the war effort by saying the civilians in the Pentagon will make the same contribution to a reduction in Government expenditures as every other Government employee across the board, including the security people that the gentleman from Ohio just talked about?

Mr. MAHON. There are people serving in many areas, such as Guam, Okinawa, and others related to the war effort. Our proposal is that we not restrict them in any way.

Mr. PUCINSKI. I will accept an amendment to include those territories, but I do not think the people in Washington here in the air-conditioned comfort of the Pentagon should be excluded merely because in some remote way they are related in a job that has something to do with Vietnam.

As the gentleman knows, I am one of the strongest supporters of the war effort in Vietnam and I shall continue to do everything possible to help us win this war against communism as quickly as possible. I firmly believe that reducing nonmilitary expenses is one way of helping make sure that our boys in Vietnam will have everything they possibly need to win the war. I hope the chairman will understand that we are in no way interfering with the war effort when we say that stateside civilians working outside the war zone should make the same contribution toward economy that we are asking all other American civilians to make.

I just do not believe that these people should be excluded. There was some discussion that not everyone has to be in the war zone to contribute to the war effort; that our boys need help from many quarters. I agree with this but all of those in supporting roles are well compensated in their jobs and I do not see how their effectiveness will be curtailed if we ask them to make the same contribution toward reducing the anticipated deficit for 1968 that we are asking all Americans to make. I do not know why these civilians should be given special treatment when their employment in no way places them in any danger as are our boys in Vietnam.

While I am on the subject of economy, Mr. Chairman, after the last debate on this matter, one of the Chicago newspapers said in its editorial that I said during debate that the wheels of Government would come to a grinding halt if Congress failed to reduce spending by $3.5 billion.

Mr. Chairman, I never said that. On the contrary, I have been calling for a reduction of $7 billion. What I did say the last time we debated this subject was that if Congress failed to extend the continuing resolution under which our Government is functioning until all appropriations bills are approved the wheels of Government would come to a grinding halt. Everyone here knows that if the continuing resolution is not approved before October 23, most agencies will not be able to expend any more money until their appropriations for 1968 are approved. I want the record to show I continue to support reduction in Government spending until the Vietnam war is brought to a successful conclusion.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this limits the exemption too severely, in my judgment. It would tend to impair or embarrass the war effort in Southeast Asia and certainly would tend to impair our military readiness otherwise. Of course, Mr. Chairman, the rank and file of civilians, the great bulk of the employees in the Department of Defense in Washington are not exempt. Some Members have pointed out the fact, and our report states, that the departmental headquarters would be a good place at which to make reductions. However, in my opinion it would be most unwise for us to risk the application of any cuts to personnel engaged in the war effort.

Mr. Chairman, I move that all debate on this amendment now close.

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

Mr. MAHON. I yield to the distinguished gentleman from California.

Mr. HOSMER. Mr. Chairman, I thank the distinguished gentleman from Texas [Mr. MAHON] for yielding to me at this point.

Mr. Chairman, I wish to point out the fact that all of the people who are supporting the war effort are not located in the Pentagon. There are many thousands of people who are supporting this effort in the naval shipyards of the United States, making necessary repairs to our naval ships in order to keep these ships in service in Southeast Asia. There are people in the ammunition depots and many other vital war-supporting activities. In my opinion the kind of chance-taking language that is concocted by this amendment would certainly be the last thing that the Congress of the United States would want to approve and thereby risk withdrawing support to our fighting men which they need to protect their lives and safety.

Mr. MAHON. Mr. Chairman, I renew my motion that all debate now close on the pending amendment.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PUCINSKI].

The amendment was rejected.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike the last word.

Mr. Chairman, most of the discussion with respect to the proposal which has been presented to us by the Committee on Appropriations relates, it seems to me, primarily to sections 3 and 4—but, there are some exceptions that are contained in sections 3 and 4 that I think we now have lost sight of.

Mr. Chairman, I am a little amazed that the chairman of the Committee on Appropriations, the distinguished gentleman from Texas [Mr. MAHON], does not defend his proposal with a little more diligence.

I say that, Mr. Chairman, because contention has been made that this would impose a restriction upon the number of people that could be employed, for instance, by the FAA in Air Controller groups. We have been given to understand that it is going to lead to a great deal more accidents if such a proposal is adopted.

However, Mr. Chairman, as I read both of these sections—and I think it is the intention of the chairman and the intention of the Committee on Appropriations—that position involving the safety of human life and the protection of property is exempt from the restriction. Mr. Chairman, am I right in that assumption?

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman from Wisconsin is eminently correct in his last statement as to life and safety. But he is strictly in error and out of order in his criticism. This language appears at several places in the resolution which is pending before us. Of course, the air controllers would probably be considered as exempt as well as others whose positions relate to the safety of human life and to the protection of property.

Mr. BYRNES of Wisconsin. And would not that also involve the law enforcement agencies? It seems to me that the basic reason that we have law enforcement is for the protection of the safety of individuals and for the protection of property.

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

Mr. BYRNES of Wisconsin. I yield further to the gentleman from Texas.

Mr. MAHON. I think, to some extent it does relate to law enforcement, particularly the people who are actually physically engaged in the business of law enforcement as contrasted to those people who, for example, are involved in the gathering of law enforcement statistics.

Mr. BYRNES of Wisconsin. The gentle-

man from New York [Mr. ROONEY] talked about law enforcement officers and crime on the streets, and that this legislation was going to interfere, and there would be greater crime on the streets. I thought the chairman of the Committee on Appropriations had taken precautions against that. All I want to know is whether I am right in interpreting what the committee is doing, or if the gentleman from New York [Mr. ROONEY], a member of the committee, is right in his interpretation? Who is right?

Mr. MAHON. I would say that the resolution itself, and the committee report, speak for the position of the committee, and make clear that people in occupations relating to the safety of human life and the protection of property are excluded. Many of the allegations of harmful effects of this resolution cannot be substantiated, but since we have freedom of speech generally I did not want to take the time of the House in repeating and repeating what is perfectly obvious.

Mr. BYRNES of Wisconsin. I can only hope then that we make the RECORD clear so that the public understands that some of these references to what this bill will do are far from reality.

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

Mr. BYRNES of Wisconsin. Yes, I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I want to commend the gentleman for making this point. There have been a number of instances this afternoon at which certain employees of the Department of Transportation, particularly employees of the Federal Aviation Administration, have been mentioned. I read section 3 as does the gentleman. It exempts those involved in the safety of human life, or the protection of property, and as I understand the intent that would exempt those FAA employees directly involved with aircraft traffic control, maintaining flight standards, and the safety of aircraft otherwise. It would also exempt those who are directly engaged in the safety of railroads and highways and automobiles. Also, most of the personnel of the National Transportation Safety Board would be excluded.

Mr. BYRNES of Wisconsin. I thank the gentleman for his comments and clarification of the provisions and intent of the proposal now before us.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, listening to the colloquy a few moments ago I cannot think of anything more phony than the amendment offered by the gentleman from New York [Mr. ROONEY]. The chairman of the Appropriations Committee, the gentleman from Texas [Mr. MAHON] has just agreed with the gentleman from Wisconsin [Mr. BYRNES] that the language stated and restated in the resolution takes care of the Federal Bureau of Investigation and other agencies dealing with law enforcement and public safety.

Moreover, I am interested in the fact that only last week the House approved a pay increase bill which carried as one of its provisions the absorption of a good deal of the increase in pay by the various departments and agencies of this Government.

Now, today, by the exemptions being written into this resolution, some of you are running away from the bill you voted for last week. If consistency is a virtue it is being abused here today.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 3, after line 18, insert the following new section:

"SEC. 4. Funds available or becoming available to the United States Corps of Engineers shall not be available for the disposal, the discharge or the dumping into Lake Michigan of any polluted dredged material."

And renumber the following sections.

Mr. YATES. Mr. Chairman, I enter this zone of contention with some trepidation.

This is a simple amendment. This is an amendment which will stop the further pollution of Lake Michigan by the Corps of Engineers. Realistically, my amendment should be directed to all of the Great Lakes. The Corps of Engineers ought to be prohibited from dumping polluted dredgings into any of the Great Lakes because the condition of the Great Lakes is becoming a national disgrace. The Corps of Engineers is adding to the contamination of the lakes by the dredgings they are dumping into them.

But I happen to know something about Lake Michigan and that is the reason I have limited my amendment to the lake upon which my city is located.

This amendment will stop the Corps of Army Engineers from continuing—and I use the word "continuing"—to dump polluted material into Lake Michigan, which the Engineers admit they are now doing.

In a hearing last week before the subcommittee of the Committee on Government Operations, General Woodbury of the Corps admitted the Engineers were transferring polluted material—definitely polluted material—from Indiana Harbor out into Lake Michigan, dumping it into an area which is 8 miles off the coastline of Chicago and 4 miles from the cribs which are used as intakes for the drinking water for Chicago.

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

Mr. YATES. I yield to the gentleman.

Mr. HAYS. I think the gentleman would do better to get some other bill to add this amendment on because this is a pretty lame bill and in my opinion it should be defeated.

Mr. YATES. I share the gentleman's opinion about the bill, but it is the only vehicle at hand.

In the hearing last week it was admitted by the corps that their dredgings contained oil, pollution of all kinds, chemicals, detergents—all were being dumped into Lake Michigan.

The purpose of my amendment is to try to prevent the condition of Lake Michigan from deteriorating into the unhappy condition of Lake Erie. Did you know that Lake Erie is considered to be a dying lake? Do you know that it is suffocating from the incredible amounts of pollutants that are poured into it by industries and municipalities along its shores? There is a dead spot right in the center of Lake Erie where no fish live as a result of these pollutants. Lake Erie is becoming so foul that the area covering thousands of acres has no fish at all. Many of its bathing beaches are closed. And among the offenders who dump pollutants, chemicals, and all kinds of refuse into the lake is the Corps of Engineers through their dredgings.

My amendment would prohibit further pollution by the corps. I propose that they be prohibited from dumping polluted dredgings into the lake.

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

Mr. YATES. I yield to the gentleman.

Mr. HALLECK. If your amendment is adopted, will you join me in an effort to rescind the money for that Federal park that you are so strong for in my district that my people do not want?

Mr. YATES. I do not see how that bears on this question; but I hope the gentleman will join with me in preventing the further pollution of Lake Michigan along the dunes shore so that the people who use that area's bathing beaches can swim in clean water.

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

Mr. YATES. I yield to the gentleman.

Mr. HALLECK. What is the position of your Governor in Illinois on this matter that you are talking about of dumping this pollution?

Mr. YATES. I think the gentleman ought to address Governor Kerner directly. He would be glad to reply.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment and now yield to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, I want to call your attention to something that the gentleman said facetiously, I am sure. He said that it was a simple amendment. It is also a very drastic amendment for it has the effect of stopping essential maintenance dredging required to maintain navigation in the numerous harbors and channels in the Lake Michigan area.

We spent $1 million in 1967 and we have $5 million in the bill this year for a pilot program by the Corps of Engineers to find out alternative ways of disposing of dredging materials without incurring prohibitive costs compared with the current program.

This pilot program is investigating all alternate disposal methods such as alongshore diked areas, disposal at some distance inland from the shore, and treatment methods and evaluating pollution abatement results.

Five localities have been selected for pilot programs including projects at Green Bay, Cleveland, Toledo, Detroit, and Great Sodus Bay. In the Chicago area, the use of on-shore disposal areas shows great promise and such areas are being actively explored in connection with the forthcoming maintenance dredging on the Calumet River.

As soon as an acceptable, alternate method of dredge disposal has been agreed upon, and at the earliest possible

time, the corps plans to take appropriate budgetary action to secure the necessary funds.

Because of the high additional costs that would be involved in using alternate disposal methods, it is essential that the results of the pilot program be available before any drastic action is taken to disrupt and stop the current maintenance program of the corps. For example, it is tentatively estimated that just for the 15 Lake Erie harbors it would require an initial outlay of $110 million to provide along-shore diked areas to handle 10 years of dredging. The added cost of amortizing these diked areas, plus the added handling cost of placing material in them, would increase the present annual cost from $3.5 million to about $19.5 million. To extend such a program for providing alternate disposal areas to the 108 channel and harbor projects in the Great Lakes area could result in hundreds of millions of dollars in additional cost.

I would also like to state that the corps has been disposing of dredged material for decades by using selected dumping areas in the Great Lakes which have been selected in coordination with city and State authorities so that the dumping will not interfere with beaches or water intakes. And the corps claims that it has no evidence anywhere on the Great Lakes that the dumping has adversely affected either beaches or water intakes.

Certainly, until we can devise workable alternatives, we must maintain the navigation channels and, therefore, I am opposed to the amendment of the gentleman from Illinois.

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

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I join with the distinguished chairman of the Subcommittee on Public Works in opposing this amendment. I thought this afternoon we were engaged in an economy wave here. But here is an amendment that will cost the Federal Government a great deal more, as has been pointed out by the distinguished chairman of the subcommittee. We have already appropriated $1 million to initiate a pilot program in 1967 in an effort to solve the problems of disposal of dredging materials in the Great Lakes area.

This amendment would have the drastic effect of stopping essential maintenance dredging planned this year on several harbors and channels in Wisconsin, Illinois, Indiana, and Michigan. It would have a serious adverse effect on the navigation traffic in the Lake Michigan area.

As the gentleman has said, this year we have in the public works bill $5 million more to continue with the pilot program. This is where we will get the answers to the problems that are affecting the gentleman from Illinois and many more Members who are concerned with the Great Lakes. In the meantime we must continue to perform the essential maintenance dredging which would be prohibited by the amendment.

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

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

There was no objection.

Mr. YATES. Mr. Chairman, the arbitrary curtailment of time for debating my amendment is unfortunate.

My amendment was a direct statement against further pollution of Lake Michigan. The arguments against it by my colleagues on the Appropriations Committee will permit the pollution to continue. They point to an appropriation approved for the Corps of Engineers to engage in a study of alternate methods of dumping their dredged spoil which will take another year at least. They argue that the present practice of the Engineers in dumping polluted spoil into the lake should be continued in interim. "Let pollution continue," they contend, "until we have a feasible alternate."

Mr. Chairman, that is the same argument that has been made over the years and decades in an attempt to justify the increasing pollution of the lakes. When will it be stopped if not now? This is not a new threat. As a matter of fact, the Engineers received $1,000,000 from the Congress last year for their first study of alternate methods to dumping in the lakes. This year they have received $5,000,000 in this budget. Will the same study be continued for the next year—and the following year—and years thereafter while the same disgraceful dumping of pollutants continues? When would my colleagues stop the practice—if they would? I say the time is now, not some uncertain time years hence.

Lake Erie is pretty well contaminated already. Are the other Great Lakes to be subjected to the same slow death while the Engineers, who already must know what other methods are available, continue their various ruinous methods of disposing of dredgings.

The Great Lakes combined are the single greatest water resource in this Nation. We have been most profligate in our dealing with them. It is time we took determined and specific action to protect the lakes from the spoilers—including the Corps of Army Engineers.

I include the following at this point:

[From the Chicago Daily News, Oct. 3, 1967]

DEATH SENTENCE FOR LAKE DESPITE POLLUTION BATTLE—REPRIEVE 10 YEARS OFF

(By Henry DeZutter)

None of the states bordering Lake Michigan has promised to control algae-inducing pollutants for at least 10 years.

And it is algae-inducing pollutants that experts believe are killing the lake.

The fact that there are no commitments to control them has been discovered in an examination of pollution control programs submitted to the federal government by Illinois, Indiana, Wisconsin and Michigan.

The state programs call for reducing most industrial and municipal wastes by 1972. But the key, algae-inducing pollutants—called nutrients—wouldn't be controlled until 1977.

Nutrients fertilize the growth of the stringy, green algae that are slowly choking Lake Michigan to death.

Vinton Bacon, superintendent of the Metropolitan Sanitary District—which keeps Chicago-area wastes out of the lake—says the 10-year deadline is "incredibly short-sighted."

"A lake lives but once," he said in an interview, "and this program could stamp the seal on the death warrant for Lake Michigan."

Water experts contend that continued algae fertilization would soon kill Lake Michigan, as it did Lake Erie.

The nutrients that feed lake-choking algae come mainly from detergents. They also are present in sewage, even after it is treated up to present standards, and some industrial waste.

Indiana's program, already approved by the U.S. Interior Sec. Stewart Udall and hailed as stringent, does not mention nutrient control for its Lake Michigan tributaries.

The three states that envision nutrient-control have written into their programs "escape" clauses permitting extensions of the 1977 deadline, if technology doesn't produce a financially feasible solution. Their plans still await federal approval.

Michigan's nutrient-control proposal filed with the Federal Water Pollution Control Administration states:

"The long-term objective is to require that phosphates traceable to all industrial and municipal waste sources be controlled on or before June 1, 1977."

Wisconsin's promise is a little weaker:

"The department (Wisconsin Department of Resource Development) is vitally interested in the nutrient problem and hopes that a solution is available in the next 10 years but can make no commitments at this time."

The Illinois proposal, prepared by the Illinois Sanitary Water Board, says:

"The reduction of nutrients . . . should be accomplished, where deemed necessary, within the next 10 years, or as practical technical methods are developed."

Although experts have warned for years that the algae menace poses the greatest ultimate threat to Lake Michigan, it has been virtually neglected until recently.

Even the joint U.S.-Illinois-Indiana Conference on the pollution of southern Lake Michigan excluded the problem of nutrient pollution.

Public interest has escalated, though, as more and more of the stinking, slimy algae weeds have washed ashore—fouling beaches and interfering with swimming and boating.

More than an aesthetic nuisance, the algae also clog water intakes, increase water purification costs and choke off the oxygen supply from desirable fish life. When algae growth reaches a stage where desirable fish no longer survive, as in Lake Erie—a lake is said to be "dead."

Illinois is not exempted from the list of nutrient polluters.

Pollutants are discharged into the lake from largely inefficient waste-treatment plants run by the North Shore Sanitary District in Lake County.

These include large plants in Waukegan and Highland Park and smaller plants in Lake Forest and Lake Bluff. Two Lake County based U.S. military installations—Fort Sheridan and Great Lakes Naval Training Center—also flush nutrient-enriched wastes directly into the lake.

Albert C. Printz, water-quality standards officer for the Great Lakes region of the Federal Water Pollution Control Administration defends the 10-year deadline for nutrient control.

"It's the best we can hope for given the sad state of technology in this field," he said. "I hope technological breakthroughs can speed the development of feasible nutrient control methods, but it's only a hope."

Sanitary District Supt. Bacon rejects this view as "short-sighted."

"The lake is a priceless asset. Nothing should be too expensive to save the lake," he said.

[From the U.S. Bureau of Fisheries, Ann Arbor, Mich., Oct. 19, 1961]

THE CHANGING ECOLOGY OF LAKE ERIE

Erie is a rapidly changing lake and the progressive changes are threatening gravely its value to the public for all uses. The aging process of a lake is usually slow and subtle, and frequently goes unnoticed in a lifetime of man. When lakes are used for the disposal of industrial and human wastes the aging process can be greatly accelerated as has been thoroughly documented in Lake Zurich in Switzerland and Lake Washington near Seattle over the past 50 years. Never before, however, has such a dramatic process of premature aging been detected in a lake the size of Lake Erie with its 10,000 square miles of surface area.

Any thought that Lake Erie, because of its size, is an indestructible freshwater resource, has perished. Indeed recent evidence has shown that the lake is rapidly becoming useless for things and practices that once were traditional. The urbanization and industrialization of the area surrounding Lake Erie and the Detroit River created a pollution load that has resulted in vast changes in the physical, chemical, and biological characteristics of the lake. These changes once noticeable only in the bays and shore areas have spread throughout the lake, and now are a matter of grave concern to all who have an interest in, or who depend on this freshwater resource. Bathing beaches have become unusable; preferred species of fish are no longer abundant; contamination of domestic water supplies offers an ever-increasing problem; and shore and harbor areas are becoming more difficult to keep clear for boat traffic.

Lakes age physically, chemically, and biologically. Progress of physical and chemical changes may be inconspicuous, but they are cumulative. Over 2.6 million tons of silt enter Lake Erie in a year. Gradual filling makes the lake shallower and warmer. The use of lake water as a coolant in power plants can also contribute to warming. An estimated 1.9 trillion gallons of water from the Great Lakes was used by steam-electric-generating plants in 1959. In addition, several atomic-power stations are being built on the lakes because of their great requirement for water to cool the reactors. Practically nothing is known of the consequences of increased temperatures on thermal pollution. Some fish are attracted to the warm waters and large numbers die, and others are known to have very sensitive temperature requirements at critical life-history stages. Undoubtedly, as with other types of pollution in the lakes, the immediate effects of "thermal pollution" will be subtle, and difficult to measure.

Evidences of chemical pollution are clear-cut and impressive. Untreated and inadequately treated domestic waste of millions of people in communities bordering or near Lake Erie is entering the tributaries and marginal waters of the lake. In addition, the organic industrial waste load entering Lake Erie in 1953 was estimated to be equivalent to a population of about 900,000 by the U.S. Public Health Service. Inorganic industrial wastes, including toxic substances, have been reported in many analyses of tributary streams and lake waters. The concentrations of most dissolved chemicals have increased during the last 50 years. Calcium, magnesium, sodium, and sulfates show increases ranging from 1 to 10 ppm. Chlorides showed an increase of from 10 ppm in 1930 to 20 ppm in 1958. Total dissolved solids have increased steadily at an average rate of 1 ppm per year. Evidence exists that the concentrations of nitrogen and phosphorus compounds have doubled. Very low concentrations of dissolved oxygen in the central basin of Lake Erie have occurred during the summer in recent years—a positive indication of overenrichment resulting from the excessive introduction of organic pollutants. This condition has previously been unknown for a body of water the size of Lake Erie.

The biological consequences of increased physical and chemical pollution of Lake Erie have been spectacular. The mayfly nymph was once the most abundant fish-food organism inhabiting the bottom of Lake Erie. These clean-water organisms averaged about 400 per square meter of lake bottom for many years; today they average about 40 per square meter. The adult mayflies that once piled up under street lights and store windows are no longer evident. Pollution-tolerant worms have increased from 12 to 551 per square meter, and midge larvae (the type that can withstand low-oxygen conditions) from 56 to 299 per square meter since 1929. The bacterial load, at the outlet of the Detroit River increased threefold between 1913 and 1946–48. Major changes have also occurred in the fish populations. The once abundant cisco, whitefish, and blue pike that prefer clean water have all but disappeared. The lake is no longer an ideal habitat for the walleye and yellow perch. The less desired yet more tolerant species such as white bass, sheepshead, smelt, and carp are more abundant. Reports of fish kills are becoming increasingly common.

The status of Lake Erie as a useful freshwater resource has become uncertain. As impressive as the conpicuous changes have been, there may still be more dire consequences from slow and yet undetected accumulations of the common detergents and toxic chemicals that continually enter the lake. Lake Erie can be described accurately as a dying lake, and because of the subtle cumulative effects of sewage and industrial wastes, it may be dead even before we are aware of it.

Mr. MAHON. Mr. Chairman, I yield no longer. I ask unanimous consent that all debate on the amendment and all amendments thereto do now close.

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

Mr. YATES. Mr. Chairman, I object.

Mr. MAHON. Mr. Chairman, I move that all debate on the amendment, and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the fourth time this year we have had a continuing resolution on the floor of the House of Representatives. Frankly, if you were to pin me down and ask me what the resolution would do to the Government, I would have to tell you I do not know. It is very complex, very far-reaching, and I doubt that all its ramifications are known by anyone in this chamber.

Mr. Chairman, I think it is a sad situation that we find ourselves for the fourth time in one year going through this exercise of voting on a continuing resolution. Certainly it must have come to the minds of others, as it has to mine, that there must be a better way to run a Congress than this.

I do not know why it is necessary to have these continuing resolutions come up. But here are the facts as I know them.

Some few years ago it became in vogue to have annual authorizations of certain matters which later became subjects of appropriations. We have annual authorizations for appropriations for NASA, for foreign aid, for military construction, for the Atomic Energy Commission, and other programs. Mr. Chairman, this takes time, and it should take time. The Members of the legislative committees involved in these very important matters should give them the legislative oversight which it is their duty to give. But the result is that the appropriation subcommittees get these matters so late in the fiscal year that it is absolutely impossible for them to complete their work before the end of the fiscal year.

So it becomes necessary to go through this exercise of adopting continuing resolutions time after time after time. Many of us remember the year when we actually had a continuing resolution in effect, until Christmas Eve.

I do not know exactly what the answer is, but I have introduced a little bill, and if this sounds like a commercial, so be it. I have been introducing it for some time. I think it might be of some help. The bill would provide that the fiscal year would be the calendar year. This measure would allow the legislative committees to do the proper job of legislative oversight, to come out with proper authorization legislation, and then it would enable the appropriations subcommittees to do a proper job of screening the expenditure requests and come up with a completed job of appropriations. Appropriation bills would be adopted before the end of the fiscal year, without the hasty actions we have taken under continuing resolutions.

I submit that under the present situation my own committee, of which I think very highly—and please do not construe this as any criticism of our fine chairman, or the able members of the Appropriations Committee—but we are not doing the job which this Congress and the people expect us to do.

We are not doing the job which the country expects us to do, and until we can change the system under which we are operating we will not be able to do it. We will be coming up year after year with continuing resolutions, with provisions in them which have been conceived in haste, and which many times, have meanings which are unclear and uncertain. Furthermore, the departments and agencies do not know the expenditure level at which they must operate until much of the fiscal year has passed. This certainly does not make for efficiency. I think it is up to the House to do something about cleaning up this resolution by adopting a motion to recommit. Certainly the gentleman from Ohio has a motion to recommit, which makes sense to me, because it sets a dollar limitation and then lets the administration decide where the cuts shall be. We have heard responsible Members of this Congress express grave doubts as to the effect this resolution would have on vital functions of this government. This situation could be mitigated if the power to allocate the expenditure cuts were given the President.

If the Members think this is giving power to the President he does not now have, I dispute that, because the President can reserve funds now, as we have seen.

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

Mr. RHODES of Arizona. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I would have to agree with the gentleman this does not give the President power which he does not now have, but it would give him a right which he does not now have, in my opinion.

Going further, I would like to say our Committee on Appropriations could proceed with its hearings and be ready to report a bill, and then advise the leadership that we are ready for authorization, by a legislative act or a rule. That is one way it might be handled.

Mr. RHODES of Arizona. Mr. Chairman, I think to do that would be to take a very important function away from a legislative committee, and I would never want to do that.

Mr. WHITTEN. I do not mean to say that. We would not report until authorized. There are two ways the Congress could authorize.

Mr. RHODES of Arizona. What the gentleman suggests can and has been done. I would hope it would not have to be done in many instances. I would hope we would take a good long look at what this body ought to be doing in directing the fiscal operation of the Government. The Constitution charges Congress with the responsibility for appropriating funds. I submit to this body that we can carry out that responsibility better than we are now doing.

AMENDMENT OFFERED BY MR. HAYS

Mr. HAYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS: On page 3, after line 18, insert: "The Appropriations Committee is hereby abolished."

Mr. HAYS. Mr. Chairman, I supposed somebody would make a point of order against this, but since no one has, maybe we ought to get a vote on it.

Obviously I am not completely serious about this, but, on the other hand, I do not know that it would hurt very much. The Appropriations Committee has the House tied up pretty much in knots, and no two people in the committee can agree on what the resolution does.

We did not have an Appropriations Committee until the 1920's. The authorizing committee was the appropriating committee—I think it was until some time in the twenties—and if we are going to be tied up in situations like this, every year, year in and year out, as the gentleman said until Christmas Eve—maybe we ought to abolish the committee.

I am not so sure it is the fault of the authorizing committee, and, to be fair, I am not so sure it is the fault of the Appropriations Committee of the House. It seems to me the blame lies with the Appropriations Committee on the other side, but if we abolish ours, maybe they would have to abolish theirs, and it would not be too bad an idea.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I realize the gentleman from Ohio offered this motion in a facetious mood. At least, I hope so.

The Committee on Foreign Affairs, of which the gentleman is a member, has had since last winter to bring out a foreign aid authorization bill so we could get the appropriation bill on the floor. We do not yet have the authorization, and I do not know when we will have it, and we cannot adjourn until we get it. This is part of our problem.

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

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

Mr. HAYS. Mr. Chairman, I concede what the gentleman says is true, and we have been in conference, and on two occasions the the Foreign Relations Committee in the other body has taken off—in one instance for 10 days and in another instance for about a week now. So please do not blame that on the House Foreign Affairs Committee.

Mr. MAHON. Mr. Chairman, I shall not move to abolish the Committee on Foreign Affairs.

Mr. HAYS. It might be a good idea.

Mr. MAHON. Mr. Chairman, I ask for a vote.

Mr. CEDERBERG. Mr. Chairman, I move to strike the requisite number of words.

I had not intended to make any comments regarding this resolution, but as I read it, I have several reservations about it.

If I read section 3 correctly, this would penalize the agencies which really have been squaring with the Congress and have been trying to hold expenditures down. It would penalize them.

If I read this correctly, it says:

Funds available or becoming available to the several executive departments, agencies, corporations, and other organizational units for obligation for civilian personnel compensation and benefits for the fiscal year 1968—

Then it has certain exclusions about South Vietnam, and says:

shall not be available for such purposes beyond 95 per centum of the amounts estimated therefor in the budget for 1968 (H. Doc. 15) as amended.

I do not want to name agencies, because I would not want to exclude some. There are some fine agencies which have been holding the line. They squared with us on the Appropriations Committee and the legislative committees, so they get certain amounts in the budget. There is no increase or little increase in personnel in many instances.

Another agency might get an increase of 2,000 personnel or 3,000 personnel. Perhaps they need some of them but if I read this correctly, even if the Appropriations Committee concerned with that department cut the request from 2,000 personnel to 1,000, if they had requested 2,000 personnel in the 1968 budget, the 95 percent would apply to the 1968 budget and not to what the Appropriations Committee did.

That would be the case, unless I read it wrong. I would like to have someone correct me.

Am I correct in that, Mr. Chairman?

Mr. MAHON. The gentleman's statement is a bit complicated.

Mr. CEDERBERG. It does not seem complicated to me.

Mr. MAHON. Please, what is the specific question?

Mr. CEDERBERG. As I read section 3, on page 3, it says that the funds "shall not be available for such purposes beyond 95 per centum of the amounts estimated therefor in the budget for 1968."

It does not say what is appropriated for 1968. It refers to what is in the budget.

If there were an agency which had no request for additional civilian personnel, that agency would get a cut of 5 percent. Do I understand that correctly?

Mr. MAHON. That is correct.

Mr. CEDERBERG. If another agency had a request for 2,000 more personnel, and in the wisdom of the Appropriations Committee it was cut to 1,000 personnel, they would take the 5 percent not from the 1,000 added by the Appropriations Committee but from the 2,000 in the budget.

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

Mr. CEDERBERG. I yield.

Mr. MAHON. There would be no cut in the agency that had requested 2,000 additional personnel, if they had already been cut by 5 percent or more in other bills this year.

Mr. CEDERBERG. No. If I read this correctly, if they had a request for 2,000 personnel and that was cut to 1,000, they could, under this, go up to 95 percent of what they asked for in the budget.

Mr. MAHON. No. This would cut them by 5 percent below the budget if Congress had not already cut them by that much or more.

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

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

Mr. HAYS. I want to thank the gentleman, because he is making a terrific argument for my amendment to abolish the committee. He is showing how mixed up it is.

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

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

Mr. JOELSON. I am not so surprised by the proposal of the gentleman from Ohio [Mr. HAYS] to abolish the Appropriations Committee, because the amendment to be offered by the gentleman from Ohio [Mr. Bow] which will come later, would turn everything over to the President and in effect abolish the Congress.

Mr. CEDERBERG. That is where the gentleman is completely wrong. I believe that if we are going to have a sensible spending limitation we are going to have to adopt a total spending limitation to make any sense.

If you read this, gentlemen, you will find all kinds of exceptions we automatically give to the President. It refers to the President "in his discretion may prescribe" in many instances.

I see no effective way in which we can hold down spending except by adopting something like the Bow amendment, which I would hope would be a substitute.

What it does is it would hold spending to $131 billion, which is $5 billion less

than anticipated but is still $6 billion over last year. It seems to me that is the most sensible approach.

Mr. MAHON. Mr. Chairman, a parliamentary inquiry. Is an amendment pending before the House?

The CHAIRMAN. There is.

Mr. MAHON. On that I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HAYS].

The amendment was rejected.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: On page 3 immediately after line 18, add the following:

"SEC. 4. Funds available or becoming available for obligation after the date of approval hereof for the development or construction of civil supersonic aircraft shall not be available for such purposes. Amounts withheld from obligation pursuant to the provisions of this section are hereby rescinded and shall be covered into the Treasury."

And renumber the other sections accordingly.

Mr. OTTINGER. Mr. Chairman, I am wholly in accord with the efforts that are being made to cut nonessential expenditures within this body. I think it is something that badly needs doing. Faced by a $29 billion deficit or an inequitable 10-percent tax surcharge, cutting nonessential spending is by far the best alternative.

I think there is no more unnecessary expenditure than that which we have authorized and for which we have appropriated almost $700 million so far for the supersonic transport. This is so unnecessary and such an unsound venture that our great free enterprise system engaged in the manufacture of the aircraft is not willing to invest more than 10 percent of their own funds toward the accomplishment of this goal.

The SST, if it comes into being at all, is going to create a noise problem the likes of which we have never heard. Those of you who represent areas where people live near and around airports already have their constituents screaming with protest against the terrible noise problem they have. These protests are going to be redoubled if this plane comes into being. This will be a very serious hazard, I believe.

If the SST is really so good, I believe private enterprise would support it more than it is. There is no reason why we should get ourselves so involved in this effort which is eventually estimated to require some $5 billion in Federal funds. I think if we are going to cut nonessential spending, this is the area in which it is most propitious to begin. I urge the adoption of my amendment.

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

Mr. OTTINGER. I am glad to yield to the gentleman.

Mr. MACGREGOR. As I indicated during general debate, I have had at the Clerk's desk and pending for some 3 hours an amendment to rescind this year's appropriation of $142,375,000 for the civilian supersonic aircraft development. According to the advice of counsel for the Committee on Appropriations, my amendment would not have been in order until after a complete reading of the bill since my amendment would have incorporated a new subsection 7. My purpose in asking the gentleman to yield to me at this point is to ask him whether or not the intent, purpose, and effect of his amendment would be the same as my amendment. The plain question that I wish to ask is this: Would the adoption of your amendment leave remaining for expenditure the $124.5 million now in the SST pipeline of funds appropriated by this Congress in previous years up to and including fiscal year 1967?

Mr. OTTINGER. It does. My amendment does exactly the same thing as the gentleman's and applies only to the funds available or becoming available for obligation after the date of approval thereof.

Mr. MACGREGOR. I think the amendment which has been proposed by the gentleman from New York and the text of my amendment do not fit into the same pattern.

Mr. OTTINGER. I have not seen the amendment which has been proposed by the gentleman from Minnesota [Mr. MACGREGOR]. I tried to locate him earlier.

Mr. MACGREGOR. The amendment has been pending at the Clerk's desk for some 2 or 3 hours.

Mr. OTTINGER. I am glad to join with the gentleman from Minnesota in our efforts to accomplish the same objective.

I am fully aware of the fact that the gentleman also has a bill, which I also sponsored, designed to accomplish this purpose, bills introduced as separate pieces of legislation.

Mr. MACGREGOR. I have been trying to do this for 1½ years.

Mr. Chairman, I congratulate the gentleman from New York [Mr. OTTINGER] upon his efforts along similar lines.

Mr. OTTINGER. Mr. Chairman, I congratulate the distinguished gentleman from Minnesota for his leadership and I am glad to join with the gentleman in this effort.

Mr. KIRWAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not plan to speak on the pending amendment, but I would like to comment on expenditures for the public works program which seems to be a very popular target these days when we are considering budget reductions.

Almost daily in connection with possible spending cuts some expert is quoted as stating that one area to make substantial reductions would be in the public works appropriation bill. Some suggest a nice round cut of $1 billion in public works. To the extent they are referring to the funding of rivers and harbors and irrigation projects, perhaps it is time we look at the facts for cuts of this magnitude are just not possible regardless of the merits of the question.

Let us analyze what makes up the $4.6 billion that is in the public works appropriation bill as it passed the House. First, 54 percent of this total, which the experts never mention, is for the expenses of the Atomic Energy Commission. These total $2.5 billion, which is $153.4 million less than requested in the budget. Except possibly for the $150 million included in the Atomic Energy budget for research and development of civilian power reactors, I think we all agree that the Atomic Energy Commission does not fall in the public works category. As to the possibility of still further cuts in the AEC program, it is now faced with absorbing sizable additional requirements for weapons development and production under the anti-ballistic-missile system for which provision was not made in the budget or the House bill.

It should also be noted that of the increase of $314.4 million in the bill over last year, $293.7 million, or 93 percent, is for the Atomic Energy Commission. These funds are required primarily to finance continuing activities funded last fiscal year with carryover unobligated balances and program revenues and to meet increased requirements of the weapons program. The net increase of only $20.7 million in the bill for all the other agencies includes an increase of $60.7 million for the water pollution control program largely offset by reductions in the other activities. All the other major programs in the bill have been decreased below the funding level for fiscal year 1967, including a reduction of $64.9 million, or about 5 percent, in the appropriations for construction of water resource projects.

Excluding AEC, the House public works bill total is $2.1 billion. Included in this is $293.8 million for the Federal water pollution control program which is being carried in the bill for the first time this year. For water pollution control research and development grants and the operating program, the House made a 10-percent reduction in the budget estimate. For construction grants for waste treatment works, the bill allows only the budget request of $203 million. This is less than half the authorization of $450 million for which there has been widespread public support.

Another $258.9 million in the bill is for the annual operation and maintenance requirements on completed projects of the Corps of Engineers, the Bureau of Reclamation, and the power agencies. The House bill has already reduced the budget request for these items by $10.4 million. Any significant additional reductions are not possible without neglecting essential maintenance items, resulting in more costly rehabilitation in future years.

Also carried in the bill is $40.5 million for the operation of the Canal Zone Government of the Panama Canal which is repaid to the U.S. Treasury out of revenues from the operation of the Panama Canal Company.

The bill also includes $21.2 million to cover the cost of interment in our national cemeteries, grave markers, and development and maintence of cemetery properties, including Arlington Cemetery. Certainly these programs are not "public works" that could be deleted or drastically curtailed.

The balance of $1.5 billion remaining in the bill is primarily for the activities

of the Corps of Engineers, Bureau of Reclamation, and the power agencies of the Federal Government. Excluding the investigations programs and necessary administrative expenses, $1.4 billion remains for the going construction programs of these agencies for flood control, water supply, irrigation, and power facilities. It is apparently in this area that the experts seem to think that wholesale cuts could be made. First, the experts don't seem to understand that the individual projects are funded in the bill not for the total cost, but only to the extent necessary to meet contractors' earnings during the year. In other words, a project costing $10 million is funded over a period of 4 to 5 years. Of the $1.2 billion included in the 1968 House bill for construction by the Corps of Engineers and the Bureau of Reclamation, only $13.6 million is to initiate construction on new starts. These include only 21 new starts under the corps and 2 for the Bureau of Reclamation. The balance of the appropriation—99 percent—is to finance the continuation of construction during the current year of projects previously approved by Congress. This involves over 300 projects.

For example, under the Corps of Engineers, about 75 percent of the appropriation of $935 million will be applied to 57 major projects, now under construction, in amounts of $5 million or more to meet contractors' earnings. About 70 percent of the funds are required to meet obligation commitments on continuing contracts and the remaining 30 percent is to provide for new contracts required to meet construction schedules on going projects. Many of these pending new contracts are essential to avoid project shutdowns and to prevent damage and loss to works already put in place under prior contracts. Even if we deferred indefinitely the balance of the pending contracts that might be postponed without project shutdown or damage to completed work, it is roughly estimated, pending completion of a detailed survey, that not more than $60 million would be saved this year in expenditures under the Corps of Engineers nor more than about $26 million under the Bureau of Reclamation program. Over one-third of these expenditure savings have already been reflected in the House bill reductions. Such further contract deferments would, of course, result in serious delay in the completion dates of these projects needed for flood control, water supply, power, pollution abatement, and so forth, and would in turn, result in higher completion costs due to the rising construction costs index.

I should also note that the allowance made in the bill for each construction appropriation item already reflects a general lump sum reduction, averaging 11 percent, to be applied to the individual amounts programed for the projects. In turn, the committee has taken full advantage of actual carryover funds available from last fiscal year and has reduced the new appropriation requests accordingly. In total, the committee, in its allowances for the construction programs of the Corps of Engineers and the Bureau of Reclamation, has made lump sum reductions totaling $171.9 million which will have to be met from carryover funds and through slippages, delays, and stretchout of contract awards, with the resulting reduction in expenditure requirements for fiscal year 1968.

The appropriations carried in the House bill for the construction programs of the Corps of Engineers and the Bureau of Reclamation are below both the appropriations for last fiscal year and the budget estimates for fiscal year 1968.

So, despite what the experts say, unless we are ready to cancel present contract commitments on projects now under construction, with the costly consequences now and in the years to come, it is just not possible to make any large-scale savings in appropriations or expenditures beyond those that have already been made in the bill.

I would like to insert in the RECORD for your review an analysis of the items in the bill and a statement as the basis on which the appropriation amounts for the construction items has been determined:

Analysis of items in public works and Atomic Energy Commission appropriation bill, 1968

Budget estimate (as amended)	$4,864,613,000
House bill reduction	−244,891,000
House bill total	4,619,722,000
Deduct Atomic Energy Commission (54 percent)	−2,492,733,000
Balance, excluding AEC	2,126,989,000
Deduct (non-public-works construction items):	
1. Cemeterial expenses, Department of Army (development and maintenance of the national cemeteries)	−21,200,000
2. Operation and maintenance of Panama Canal Zone Government	−40,500,000
3. Annual operation and maintenance of completed water resource projects	−258,890,000
4. General investigations, Water Resources Council, and program administration	−109,344,000
Subtotal, non-public-works construction items	[1] −429,934,000
Deduct Federal Water Pollution Control Administration	−293,800,000
(Included under HEW bill in prior years. Includes $203 million for construction grants for waste treatment works compared with authorization of $450 million.)	
Balance in bill for planning and construction by Corps of Engineers, Bureau of Reclamation, Bonneville Power Administration, Southwestern Power Administration, and Tennessee Valley Authority	1,403,255,000
Deduct funds for new construction starts:	
Corps of Engineers (21 projects)	−6,113,000
Reclamation (two projects)	−7,500,000

Analysis of items in public works and Atomic Energy Commission appropriation bill, 1968—Continued

Deduct funds for new construction starts—Con.	
Bonneville Power Administration (transmission facilities)	−$23,206,000
Irrigation Loans (three)	−1,185,000
Subtotal, appropriation for new starts	−38,004,000
Balance for funding continuation of construction on projects initiated by Congress in prior years	1,365,251,000
This latter total to finance construction ongoing projects consists of:	
Corps of Engineers:	
Construction, general	928,961,000
Flood control, Mississippi River and tributaries	83,400,000
Bureau of Reclamation:	
Construction and rehabilitation	165,200,000
Upper Colorado River storage project	41,000,000
Loan program	13,815,000
Bonneville Power Administration	87,294,000
Southwestern Power Administration	5,000,000
Tennessee Valley Authority	40,546,000

[1] House bill reduced budget estimates on these items by $23,818,000.

Further major cuts below the House bill in the above construction items are not feasible for the following reasons:

1. All projects in the bill are funded only on an annual basis; only the amounts required to finance contractors' earnings until July 1, 1968, are included;

2. Full credit has been taken for the availability of carryover balances in determining the new appropriation required;

3. Full credit has been taken for possible savings and delays on contracts during the year by making general, lump sum reductions, totaling $180.7 million and averaging 11 percent in the items in the bill, to be applied against the individual amounts programed for each project as listed in the report tables. Any further reduction would result, on an average, in projects being financed less than 89 percent of the amounts allocated to individual projects in the bill.

In summary, the bill now funds the above construction items, including the new starts, on the following basis:

Total amount programed for fiscal year 1968 for the individual projects as shown in the committee report tables	$1,583,957,000
Lump sum reductions made:	
For carryover balances	−39,035,000
For delays, slippages, and stretchouts	−141,667,000
Subtotal, reductions (−11 percent)	−180,702,000
Actual appropriations allowed	1,403,255,000

4. The 1968 appropriations allowed for these construction items are below the 1967 appropriation level and below the 1968 budget estimates.

5. The 1968 appropriation of $929 million for construction by the Corps of Engineers is typical of the other items:

(a) It is required to provide annual financing of contracts on going projects;

(b) About 70 percent of the funds are committed for contractors' earnings under existing contracts;

(c) The remaining 30 percent is for new contracts planned in 1968 to provide for orderly continuation of work on projects under construction;

(1) A portion of these contracts has already been let during the period July 1, 1967, to September 30, 1967, the heavy construction season;

(2) A portion of these pending contracts cannot be deferred indefinitely if loss or damage to work in place is to be avoided;

(3) The remaining pending contracts involve some segments of projects under construction which might be deferred without shutting down the project or incurring immediate loss to work in place, but with the resultant delay in project completion dates and the incurring of higher future completion costs;

It is especially in this latter category of contracts that the House bill has already reflected sizable reductions for delays, slippages, and stretchouts as outlined above.

Pending completion of a detailed analysis of the contracts in this category, it is roughly estimated that expenditure savings during the remainder of the fiscal year would not exceed $60 million, of which about half has already been reflected in the House bill reductions.

(4) The very restrictive policy on new starts reflected in the 1968 bill will result in a sharp reduction of $619.6 million in the level of the construction pipeline of the Corps of Engineers.

This year, if funds are allowed to meet contractors' earnings, completion is scheduled on 51 projects which have been financed annually over several years at a total cost of $735.5 million; the total cost of the 21 new starts in the bill, to be financed over the next 4 or 5 years, is only $115.9 million, the equivalent of only 6 weeks' construction at the current rate of expenditure.

The very limited number and total cost of the new starts in the 1968 bill (with a backlog of over 400 authorized projects) is in sharp contrast to the appropriation bills over the past 5 years which have averaged about 60 new starts annually with an average total cost of about $1 billion.

Mr. MACGREGOR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the pending amendment.

Mr. Chairman, in 1966 I moved, during consideration of the appropriations bill for the SST program, to delete the 1967 fiscal year appropriation of $280 million.

On July 18 of this year I moved to delete the fiscal 1968 appropriation for the SST of $142,375,000. A week ago Thursday, in response to talk in this Chamber about recission bills, I offered a bill to rescind the amount of almost $143 million appropriated by Senate and House.

I am delighted that I have been supported in that effort by the gentleman from Illinois [Mr. RUMSFELD], the gentleman from New York [Mr. OTTINGER], and apparently by others in this Chamber.

I believe we have heard many times the arguments for and against the use of general revenue funds of the Treasury to subsidize the development of this commercial product. Let me summarize the arguments for adoption of the pending amendment:

First. There is in the pipeline $124.5 million for the civil supersonic transport aircraft from previous years' appropriations. This would still be available for expenditure. We would not cut off that flow for the support of this year's SST development.

Second. If we were to pass this amendment we would, however, give impetus to a consideration of the bills introduced by the gentleman from Ohio [Mr. BOW] and myself, to provide private financing as a substitute for public financing of the SST.

Third. Never before, not last year, not on July 18, nor 2 weeks ago have we been faced with such a critical financial situation as we are faced with today—a $29 billion deficit—it may be somewhat less, it may be somewhat more. If we are going to find any areas to cut, if we are going to say we will not pass the buck to the President, let us show that the buck stops here in the House on this saving of $143 million.

Fourth. If we were to establish a list of priorities of public spending, surely everyone in this Chamber would put the SST financing down at the bottom of the priority list.

Fifth. There needs to be consideration—there needs to be most careful consideration of the sonic boom problem. We have studies pending in Oklahoma City, in Milwaukee, Minneapolis, and elsewhere, but we have not got the final reports on those studies. Let us get the facts so we can evaluate the economic feasibility of the SST and the likelihood of recovering the taxpayers' money.

Now, Mr. Chairman, let us take a look at the arguments against the pending amendment.

First. We are not risking any money because we are going to recoup all of the funds. Yes you will, but only if the SST is an economic success, And only if after being an economic success the aircraft manufacturers sell more than 500 of the aircraft—a highly unlikely prospect in view of the 747, which will be flying high at that time.

Second. We must build the SST on a crash basis, and funnel these public funds into it, because America must maintain her supremacy in world commercial aviation. No one is going to buy the Russian TU–144 except a few countries behind the Iron Curtain.

The British Government, because of its financial plight, may soon be pulling out of the British-French Concorde aircraft project. But even if they continue, because of the many performance limitations of the Concorde, it will never be in competition with the American SST.

Third. That the American balance-of-payments problem will be aided by the public financing of this SST. Let me give you some interesting facts:

The U.S. Treasury Department, the U.S. Department of Commerce, the Board of Governors of the Federal Reserve System, and the Bureau of the Budget are the agencies of the U.S. Government most knowledgeable and most concerned about the balance-of-payments problem.

They are the agencies possessing the greatest expertise on this subject. But not one of these four agencies has published a single word in support of the contention frequently made that building the supersonic transport is necessary to help solve the American balance-of-payments problem.

I urge you in the name of commonsense and a decent regard for taxpayer opinion to adopt this amendment.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this Congress has been up and down the hill on the whole supersonic transport matter. The effect of the amendment offered by the gentleman from New York would be to absolutely and immediately kill the program. That would not have been so with the amendment that had been suggested by the gentleman from Minnesota that would have rescinded only fiscal year 1968 funds.

I must decline to yield at this time to my colleague, the gentleman from New York [Mr. OTTINGER], because I think we ought to answer some of the arguments that he has made here.

This amendment would absolutely kill the program.

The gentleman from New York said in his arguments a moment ago that the SST program is going to cost the Federal Government and the taxpayers of this Nation $5 billion. That is not so.

We are financing only the development of the civil supersonic transport aircraft through the prototype phase, with the completion of two prototypes. The Federal Government is committed to spend $1.2 billion and no more. And if the program is successful, all of the $1.2 billion will be paid back. If more than 300 aircraft are sold, the Government will earn interest.

We have already appropriated, let me remind the House, through fiscal year 1967, $511 million. In the fiscal 1968 bill we carry $142.5 million for the SST program.

The issue is not whether or not to start the development of the SST. The program is underway. The program was initiated in 1959 and the first appropriations were made by the Congress in 1961.

The prototype aircraft are being built—and prototype Concorde aircraft are being built now by the British and the French and the TU–144 is being built by the Russians. The British and French Governments are putting $1.4 billion into their plane. This is $200 million more than we are putting into ours.

We have crossed this bridge on whether or not to develop a supersonic transport plane. It has been the judgment of three administrations to proceed.

President Eisenhower, President Kennedy, and President Johnson decided and recommended that we ought to go ahead with it.

What does this program mean to the economy of the United States? I have seen the gentleman from New York offer amendments to legislation on this floor that would have cost the Federal Government millions and millions of dollars. But he wants to kill this program which can help build up the economy of the country so that we might be able to afford such programs.

What does this program mean to the United States? Why do you have to stand up here at this time and defend it? Maybe it is not the best time, or the best year, to defend this program, but the point of the matter is that this is a program that is essential to the economic

health of a large segment of the United States. It means 50,000 direct jobs. The employment and impact from those 50,000 direct jobs will probably be multiplied by four or five times throughout the United States.

We can help pay for some of the programs that the gentleman from New York was interested in—rat control, model cities, and rent supplements—with taxes that would be lost if the aircraft manufacturing industry of this country is not permitted to keep up with modern technology.

This is a program that improves the economic health of our country, and will enable this Nation to keep moving ahead.

I recall just about a week or 10 days ago when the distinguished gentleman from New York [Mr. RESNICK] rose on this floor and pointed to himself, and rightfully so, as being a very successful businessman. He indicated to this House that the reason for his success is that he was willing to pour back into his company money required to make his company successful, and he was delighted to do that. He pointed out that that is the reason we ought to be willing to invest in our own country and our own economy, and I think we should. I think that is the slide rule for the success of our private enterprise system in this Nation. Private business teaches us that investment is essential to progress.

If you are going to damage private enterprise by voting against a vital segment of our private economy, we are never going to be able to pay for any of the great programs in which most of us here are deeply and sincerely interested.

So, Mr. Chairman, let me say again that the amendment offered by the gentleman from New York would kill the program—absolutely and finally.

There is private financing in the program. Boeing and General Electric are committed to put in their own money. Boeing alone will put in $168 million of their cold, hard cash and we ought to tell them that we are going to support this program. They will put another $34 million of their cold, hard cash in facilities for the program. General Electric will put in $66 million of their cold, hard cash and $20 million in facilities. The airlines have put in $52 million in risk capital and are putting down $750,000 for each plane ordered. They are doing their part. We ought to do ours.

The gentleman from Minnesota talks of private financing but he uses the term quite loosely. Under one of the so-called private financing plans offered, and which I understand the gentleman supports, the Government would be called on to guarantee 100 percent of the value of a total of $2.5 billion in bonds. This is not private financing. This approach would give the Government all of the risk and none of the authority to protect its investment and would double the Government's liability over that now planned.

Under present plans, the production phase of the program will be completely financed with private capital.

To kill the SST now would be to waste at least $500 million and rob a vital segment of American industry of the opportunity of meeting world competition. This amendment ought to be defeated overwhelmingly.

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. At the time the motion was adopted, the following Members were observed standing on their feet: Mr. PELLY of Washington, Mr. MEEDS of Washington, Mr. ADAMS of Washington, Mr. OTTINGER of New York, Mr. TAFT of Ohio, Mr. MACGREGOR of Minnesota, Mr. STAGGERS of West Virginia, Mr. DINGELL of Michigan, Mr. BOLAND of Massachusetts.

Mr. PELLY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PELLY. The gentleman from Minnesota has already spoken on this question. May he speak again?

The CHAIRMAN. He may speak in opposition to the pro forma motion.

At this time the Chair recognizes the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment. I do not think it is good business for this Nation to start on a program such as the one we are discussing and then stop after we have spent many millions of dollars. The program makes us a leader in the world in the aviation field. We would now kill that program if we vote for this amendment. I urge that the amendment be defeated.

The CHAIRMAN. The gentleman from Washington [Mr. PELLY] is recognized.

Mr. PELLY. Mr. Chairman, I do not think there is a Member of this House who has not taken pride in the fact that when it comes to civilian transport planes, American planes excel those of any other nation in the world. The buyers from other countries beat a path to buy our transport planes. There is no equal to them. There is only one reason for that achievement, and that is research. That is exactly what has produced the transport planes. If we are going to keep our position, we must put some money into the development of the SST. I urge Members not to veto, at this late date, the decision that was previously made by this House. I urge defeat of amendments to either curb or kill the SST.

The CHAIRMAN. The gentleman from Washington [Mr. ADAMS] is recognized.

Mr. ADAMS. Mr. Chairman, I rise in opposition to the amendment, and I yield the balance of my time to the gentleman from Massachusetts [Mr. BOLAND] at the end of the debate, and I will remain on my feet during the interim.

The CHAIRMAN. The gentleman from New York [Mr. OTTINGER] is recognized.

Mr. OTTINGER. Mr. Chairman, what the gentleman from Massachusetts said about me was 100 percent inaccurate. I have voted against more than $11 billion of spending proposals in this House this year.

I would say further to the gentleman, to show my sincerity in this matter, that I intend to support the Whitten amendment limiting expenditures to the 1967 level, with certain exceptions.

As for the argument that the SST will create jobs, I am all for the creation of jobs and the protection of jobs. But to continue on an uneconomic project which private industry itself is unwilling to finance just to protect jobs seems to me to be 100 percent wrong. I think we ought to get out of it. We have made a mistake and we ought to recognize it.

Several weeks ago, I voted against the Bow amendment and with the committee to give the committee a 10-day chance to come up with reductions it was promising. We have now seen its proposal and it is one with which I cannot agree.

The committee proposal limits the Office of Economic Opportunity to $1.4 billion while the problems of poverty mount alarmingly both in our urban slums and agricultural areas.

On the other hand, the committee proposal does not even touch the $4.6 billion public works pork-barrel or the multibillion-dollar agriculture and other special interest subsidies. It also fails to touch the SST.

I, therefore, must oppose the committee proposal and support the Whitten substitute, to accomplish exactly the economies which the gentleman from Massachusetts falsely accuses me of opposing.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. Mr. Chairman, while this amendment, I am sure, was offered in good faith, and I recognize the interest and opposition from the very beginning of the gentleman from Minnesota [Mr. MACGREGOR] and others to it, this is not the proper place to consider this amendment. I think the Members of this House should know, if they reflect on it in their consciences, that it is no more proper to consider this amendment here today, when the House has already debated and acted upon it, than it would have been to consider and vote favorably on the amendment offered by the gentleman from Illinois [Mr. YATES] with regard to the pollution of Lake Michigan. We have had full debate on the project. The House has worked its will on it. In any event, there will be a 5-percent cut in this program under the resolution, if adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, this is a very good example of acting in haste to save a few dollars and by that haste losing a great deal more money. I do not happen to approve of the way the SST contract was given. I expect to try to see it reviewed to assure that no windfall resulted. I think there is a strong possibility of an excessive amount of windfall inherent in that proposal to the developers of the SST. But the fact is if we happen to rescind the contract in such a high-handed fashion as this, the Federal Government will wind up with a loss of investment, loss in sales abroad,

and a big deficit of payments from the project. In addition—and I think this is the worst thing of all—we will wind up with a situation where the Government will be liable in damages to the contractors for contract rescission.

The CHAIRMAN. The gentleman from Washington [Mr. MEEDS] is recognized.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment and yield the balance of my time to the gentleman from Massachusetts [Mr. BOLAND].

The CHAIRMAN. The gentleman from Minnesota [Mr. MACGREGOR] is recognized.

SUBSTITUTE AMENDMENT OFFERED BY MR. MAC GREGOR

Mr. MACGREGOR. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from New York [Mr. OTTINGER].

The Clerk read as follows:

Amendment offered by Mr. MACGREGOR as a substitute for the amendment offered by Mr. OTTINGER: On page 3 after line 18 insert:

"SEC. 4. The unobligated balances remaining on the date of the enactment of this Act of the funds appropriated to the Department of Transportation for the Civil Supersonic Aircraft Development Program for fiscal year 1968 are hereby rescinded and shall be recovered into the Treasury."

And renumber subsequent sections accordingly.

Mr. MACGREGOR. Mr. Chairman, this is my amendment to which I referred earlier during general debate and during the colloquy with the gentleman from New York [Mr. OTTINGER].

This substitute amendment, I am now advised by members of the Appropriations Committee staff, will not have the same effect as the Ottinger amendment. The Ottinger amendment would stop the flow of SST money now in the pipeline. All my amendment would do, if adopted as a substitute, would be to save this year's appropriation. It would not cripple the ongoing SST program. It would not touch the $124 million waiting to be spent. It might slow down or stretch out the prototype development. Surely we can strike this modest blow for economy.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the MacGregor substitute to the pending Ottinger amendment.

The MacGregor proposal would rescind fiscal 1968 appropriations for the supersonic transport. The Ottinger amendment would repeal all funds for the SST, including those now ongoing.

One amendment would be slow strangulation. The other would be instant death.

Both amendments, I am sure, would cause delight and rejoicing on the other side of the Atlantic. The British and French with their Concorde are already 3½ years ahead of our supersonic transport. They expect to begin commercial service in 1971. The earliest timetable for the American aircraft is 1974.

The situation is very clear, Mr. Chairman. Delay of this program would seriously compromise American technical superiority. We would also strike a damaging blow to American jobs and profits.

Mr. Chairman, the cost to the Federal Government of developing this aircraft will be repaid when the company sells 300 of them. If 6-percent interest is charged, then the cost will be paid when 500 aircraft are sold. The market for the American SST is estimated at up to 1,100.

In short, then, we have to push ahead of or fall behind in the competition for technical superiority and for a sound balance-of-payments situation.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Minnesota and, of course, I am violently opposed to the amendment offered by the gentleman from New York.

As I said, we have been up and down this road, and it has been the judgment of three administrations to start and to continue this program. We are now deeply in the program. We have appropriated $511 million in past years, and in this fiscal year have provided an additional $142 million.

All of the money the Federal Government puts in will be paid back if 300 planes are sold. The economics of the program have been studied, as I said before, by a very distinguished presidential advisory board. They are advised by competent authority that this is an economically feasible project and that the Federal Government will get back every dime it will have invested. They estimate that more than 300 planes will be sold.

After 300 planes have been sold, on the planes sold between 300 and 500, which we expect will be sold, there will be a return to the Government of 6 percent on its investment.

So, Mr. Chairman, this is a good program. I do not believe we can afford to let the British and the French put their plane on the market with uncertainty as to whether or not we will proceed, where it is evident there might very well be a stoppage of the American SST. Someone said the British will pull out of the Concorde program. With this kind of debate we are having on this floor, I am sure they will continue, because they will have the field in the free world to themselves.

Mr. Chairman, I ask for defeat of both amendments.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. MACGREGOR] for the amendment offered by the gentleman from New York [Mr. OTTINGER].

Mr. MACGREGOR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MACGREGOR and Mr. MAHON.

The Committee divided, and the tellers reported that there were—ayes 94, noes 102.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. OTTINGER].

The amendment was rejected.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just supported the continuation of the SST program, but it seems to me we have just observed a demonstration of what foolishness we have participated in here recently. It all depends on whose ox is being gored.

If we want to take this item by item and issue by issue we had just as well get started on some of these programs, for we will be voting here on Christmas Eve.

I think maybe that is the way to do it. I have asked for this time primarily to direct some questions to the gentleman from Ohio [Mr. BOW]. I believe I observed him a moment ago on the floor. I have some questions with reference to the Bow amendment, which we have heard a lot about.

We have just gone through a demonstration here, as I say, regarding a specific project. I happen to be in support of this project and voted for its authorization. I supported my good friends from Washington because I well understand the concern of the people who represent Boeing Aircraft and happen to believe that this program is good for America.

However, a question was raised here regarding the Bow amendment and its effect on this program. They said that it would take its proportionate cut. I am not at all sure that it will under the Bow amendment. That is why I would like to ask the gentleman from Ohio a few questions about just what the Bow amendment means and what it will do. If I do not understand the Bow amendment, I hope the gentleman will correct me.

If the Congress adopts it, then we give the President the power to cut his budget or the total expenditures for fiscal year 1968 anywhere he desires at least up to or, in other words, a maximum expenditure of $131.5 billion. So he could cut out the entire expenditure for the SST program.

Mr. BOW. Which he can do now.

Mr. SISK. Is that correct or is it not?

Mr. BOW. That is right. He can do it now without the Bow amendment.

Mr. SISK. I well recognize that the President has certain rights to withhold funds, but I do want to make clear what we are doing and what people who support this are doing. I have great respect for the gentleman from Ohio. I am not questioning his sincerity, but I question him as to whether this is the way we want to handle the issue. We just had a demonstration here in which the Congress said we do not want to cut out the SST program. Does the gentleman want us to go ahead and attempt to try to adjust the budget in line with what we believe to be right rather than simply to say to the President, "You must come up with $5 billion of reduction in your budget" or what I understand from possible suggestions could be as much as $10 billion or $15 billion cut in expenditures and just leave it completely up to him?

Mr. BOW. Will the gentleman yield?

Mr. SISK. Yes. I will be glad to yield.

Mr. BOW. I think the gentleman pointed out the fact that the President could make these cuts in the areas he desires, which, as I have said many times, he already has the right to do. A great deal of concern has been had about the cutting down in different parts of the Government. Again I repeat that he would have $5.8 billion more than the

expenditures in 1967 were. So this is not anything that will be a great catastrophe, because he will still have over $5 billion more than he had last year. The gentleman is right, though, but the point that does not seem to be getting across at all is that the President can do it now. He can cut the SST tomorrow or freeze the funds for it tomorrow. All we are doing is simply saying to him, "You must work within a certain expenditure limitation."

Mr. SISK. That is right. However, that response leads me to my next question, if I may do so and if I may direct it to the distinguished gentleman from Ohio, I would ask with reference to the limitation and with reference to the exemptions which are contained under his proposal.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

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

Mr. BOW. I yield to the gentleman from California.

Mr. SISK. Under the exemptions contained in the proposals which are now pending before us and the exemption which I understand the gentleman from Ohio has proposed, that we actually get down to a total expenditure budget of somewhere—and I have heard all kinds of figures ranging anywhere from $112 billion to $125 billion—and that is all he has to operate on? Is this true or is it not true? That is why I am asking the gentleman from Ohio as to just what his proposed amendment means.

Mr. BOW. That is correct. In other words, the President operated on a budget of about $125.7 billion during the 1967 fiscal year. He would still have the funds which he had for the 1967 fiscal year programs. Therefore, he has had plenty of funds with which to operate the Government in the last fiscal year. So, he is going to have the money with which to do so. He sent an expenditure budget up here to us originally in the amount of about $135 billion. This is where the credibility gap comes in and is why we have got to place a ceiling upon it. In other words, the President is spending at the rate of about $143 billion. So, unless Congress places some sort of ceiling upon expenditures, we do not know what they are going to do with the budget figures based upon the manner in which they have been juggling them.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the distinguished gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, I wish to remind the distinguished gentleman from Ohio of a specific provision of the gentleman's amendment with reference to expenditures in Vietnam over the amount of $22 billion. I do not believe the effect of this provision was made clear in the colloquy which was had between the gentleman from Ohio [Mr. BOW] and the gentleman from California [Mr. SISK].

Mr. BOW. The gentleman understands that under my amendment, of course, that is correct.

Mr. SISK. Mr. Chairman, if the gentleman from Ohio will yield further, as I stated previously, I am only trying to find out just how much money actually the President is going to have left after we are through whittling? Yet, they say we cannot cut out the SST, a program which has been favored, as we demonstrated here earlier, but which carries a pretty good sum of money, or this, that or the other program.

Are we not cutting the amount of money which is available to the President for expenditure when we are finished whittling down—are we not cutting it down to a very small amount? Does it not resolve itself into a question as to whose ox is going to be gored?

Mr. BOW. I go back to the budget figure of $125.7 billion. He spent the money then, and that is a lot of money. He had a heyday at that time.

Mr. SISK. That included a portion of the Defense budget and the Vietnam war did it not?

Mr. BOW. But, may I say to the gentleman from California that insofar as the Vietnam war is concerned the amendment I am offering excepts those expenditures in excess of $22 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia. Savings can be made in the Department of Defense as well as in some other areas not having to do with our military effort in Southeast Asia.

Mr. Chairman, as the gentleman from California [Mr. HOLIFIELD] raised these questions last week, to try to put the full amount in the Defense budget, one must remember that when one talks about defense one is talking about the Atomic Energy Commission and our program in outerspace.

So, there are the items involved. Therefore, it is not that limited amount.

Mr. SISK. Mr. Chairman, I express my appreciation to the gentleman from Ohio in making himself available to answer these questions. But my questions have a broader bearing upon the operations of this Government, including the war in Vietnam.

For instance, when we get down to a few of the domestic programs here, as I said a moment ago, on the SST program, I am in favor of continuing that program. I am also, for example, in favor of continuing some of the antipoverty programs as well as some of the other domestic programs.

However, I am wondering whether or not when we say to the President, "You have got to reduce so many billions of dollars," we are not in essence saying, "You go ahead and cut the SST program as well as other programs" and, therefore, we ultimately leave it up to him and are asking for it, so to speak?

Mr. BOW. Does not the gentleman from California understand that the President did have funds for the poverty program in fiscal year 1967 and that he did have a part of the SST program funds available in 1967? Many of the Great Society programs were carried on under the figure of $125.7 billion. Now, we are proposing to give him $5.8 billion in addition to that. We do not want him to go to $143 billion, which would be a runaway program unless we get into an additional situation in Vietnam.

Mr. DOW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, some conversation has been had here today about the war in Vietnam, but I believe that someone ought to make the main point about Vietnam. Had the United States not entered that conflict, this present financial impasse would not confront us. It is all the sadder when we perceive that the involvement in Vietnam may be a mistake, may be a wrong.

Is it not tragic for us here to engage in this immense financial problem posed by House Joint Resolution 888, when we may have created it needlessly.

Mr. Chairman, I recommend to this House that we address ourselves to the reduction of the war, and that will assure reduction of the Government costs.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. Appropriations and other funds available or becoming available to the executive branch for obligation during the fiscal year 1968 for civilian personnel compensation and benefits, and for other purposes (other than those relating to retired personnel, those directly relating to the current military effort in Southeast Asia, those involving the safety of human life or the protection of property, or for statutory positions the exact number of which is fixed by law), shall be apportioned for use over the fiscal year in such manner as to permit absorption, within the aggregate amounts available, of the additional costs (estimated at $625,000,000) during the fiscal year 1968 of H.R. 7977, the Postal Revenue and Federal Salary Act of 1967, or similar legislation if such is enacted into law.

SEC. 5. Funds available or becoming available to the several executive departments, agencies, corporations, and other organizational units for obligation for research and development for the fiscal year 1968, as defined in Special Analysis I accompanying the budget for fiscal year 1968 (other than those directly relating to the current military effort in Southeast Asia or directly relating to the development, test, and evaluation of specific weapons systems), shall not be available for such purposes beyond 90 per centum of the amounts estimated therefor in the budget for 1968 (H. Doc. 15) as amended. Amounts withheld from obligation pursuant to the provisions of this section are hereby rescinded and shall be covered into the Treasury, and amounts so withheld from obligation under corporate funds are hereby rescinded and shall revert to the source from which derived.

SEC. 6. Appropriations made by Public Law 90–102, as amended, shall be available for activities budgeted under "Office of Economic Opportunity, Economic Opportunity Program" at a rate not in excess of that which would be provided for by an appropriation of $1,400,000,000 for the fiscal year ending June 30, 1968.

AMENDMENT OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN; On page 5, after line 6, insert the following new section:

SEC. ——. Obligations during the period covered by section 1 hereof for activities to be authorized by the Foreign Assistance Act of 1967 (S. 1872 or similar legislation) shall

not exceed an annual rate of $2,000,000,000 during the fiscal year ending June 30, 1968.

Mr. PASSMAN. Mr. Chairman, may I say at the outset that I support the committee resolution. The amendment I am proposing merely places a limitation on the amount of money that can be obligated during the period of the continuing resolution, 30 days. It has no effect whatsoever on the amount of money that the AID agency may expect when their annual appropriation bill for fiscal 1968 is enacted.

There is a pipeline of approximately $6.7 billion for the mutual security program alone. That is just one spigot of the 16 spigots in the foreign aid bill.

I hope that the Members will approve this amendment and ask unanimous consent to revise and extend my remarks.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not authorized to speak for the committee, but I have no fault to find with this amendment and ask for a vote on it.

Mr. BOW. Mr. Chairman, we have no objection to the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. PASSMAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia: On page 5, line 5, after "of" strike out "$1,400,000,000" and insert "$1,200,000,000".

Mr. MAHON. Mr. Chairman, I make the point of order against the amendment that we have already passed that section of the bill. I raise the point of order that the amendment is not in order since we have passed this section.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. BROYHILL of Virginia. Yes, Mr. Chairman; the only thing this amendment does is to change the figure on line 5, page 5 of the bill from $1,400,000,000 to $1,200,000,000. It is just changing the amount authorized to be appropriated by this legislation.

The CHAIRMAN. Does the gentleman from Teaxs [Mr. MAHON] desire to be heard?

Mr. MAHON. Yes, Mr. Chairman.

Mr. Chairman, this portion of the bill had been read and approved and an amendment was offered by the gentleman from Louisiana, which amendment was a separate section following it. So this is decidely untimely and out of order and I make the point of order that the amendment is not in order.

The CHAIRMAN (Mr. VANIK). It is the opinion of the Chair that since an amendment adding a new section to the bill was adopted following the section that the gentleman from Virginia seeks to amend now, the gentleman's amendment comes too late and the point of order is well taken.

The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. BOW

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 5 after line 6, add a new section as follows:

"SEC. —. Net aggregate administrative budget expenditures during the fiscal year ending June 30, 1968, shall not exceed $131,500,000,000, except by those expenditures in excess of $22 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia."

Mr. BOW. Mr. Chairman, this is the amendment which puts a spending limitation on expenditures for the fiscal year 1968.

I see no reason to debate this further. We have debated it here for 4 or 5 days at different times. I think it is generally understood, but I want to point out one change that has been made in the language, and that is in accordance with the language in the resolution, and it excepts those expenditures in excess of $22 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia.

You will recall that the previous amendment that I had read "military effort of the country."

This more specifically defines the $22 billion which it is estimated that the war will cost in South Vietnam and makes that exception that the President may determine more is necessary in Southeast Asia.

That is about the only change, my colleagues.

I simply want to repeat once more that the Government had plenty of funds in 1967 for a Roman holiday, and we are giving them $5,800,000,000 more this year to make the holiday even happier. There is no reason at all why they cannot easily continue their operations. The Congress has not authorized any new projects that are going to take any part of this $5,800,000,000 to any extent.

I would suggest, Mr. Chairman, so far as I am concerned, I am ready to have a vote, and I hope the House will support this amendment.

The CHAIRMAN. For what purpose does the gentleman from Ohio [Mr. MINSHALL], a member of the committee, rise?

Mr. MINSHALL. Mr. Chairman, I rise in support of the amendment offered by my brilliant colleague and good friend, the gentleman from Ohio [Mr. Bow].

My office, and I am sure the offices of nearly ever Member of this House, has been flooded this year with letters of protest from the taxpayers we represent who are increasingly incensed at the lavish spending we have witnessed under this administration. They are quite rightly concerned about the fiscal integrity of this country.

While I feel that the Appropriations Committee has done a commendable job in the joint resolution before us today, which limits expenses and places a freeze on new nonmilitary contracts and hiring, it is not, in my opinion, firm enough. Freezes by this administration have a tendency to thaw.

The resolution might be compared to locking the door of the Treasury, but hanging the key on the door. The Bow amendment locks the door and puts the key in the pocket of the Congress.

The amendment before us would place an absolute ceiling on all net aggregate administrative budget expenditures through June 30, 1968. Such expenditures could not exceed $131.5 billion, except for expenditures which may be in excess of $22 billion which the President might determine essential in behalf of the military effort in Southeast Asia.

In short, the Bow amendment would reduce the President's estimate of fiscal 1968 expenditures by $5 billion.

Both the Federal Establishment and the taxpayers can stand this reduction. You and I all know the sentiments of our constituents on the spend-and-tax issue. That was effectively illustrated in this House on September 27 when we voted 202 to 182 for the Bow recommital motion on the continuing appropriations resolution.

For 13 years I have fought for economy in Government on the floor of this House. During the past 8 it has too often been a losing battle. But the tide is turning, a national revolt against big government and wanton abuse of their hard-earned tax money has set in all across this Nation.

I urge that the House support the Bow amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Mississippi is recognized.

Mr. WHITTEN. Mr. Chairman, the Bow amendment, in my opinion—and it is quite apparent on its face—would require and invite the President to use his power to reduce expenditures by $5 billion from that requested by the Bureau of the Budget, wherever he might wish to, except that there is a provision for South Vietnam. I certainly favor such reduction. The 1967 level of expenditure certainly should be ample under all present circumstances, except for the war and certain other obligations which my amendment provides.

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

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

Mr. BOW. Would not the gentleman agree that a reduction in expenditures is not a reduction in appropriations?

Mr. WHITTEN. It certainly is not, but, as the gentleman knows, since many estimates have been made in the process of getting action in both the House and the Senate, and in connection with which they tied the two figures together, when you bring it back to a spending limitation, you are in effect permitting the President to apply the cuts where he sees fit.

Mr. BOW. I agree with the gentleman, but I believe it is a misnomer to say that a ceiling on appropriations is a ceiling on expenditures.

Mr. WHITTEN. I hope the gentleman believes that his amendment would be a ceiling on expenditures. But if he does not feel that it would be, I shall not argue with him. The point is that while the power but not the right has existed in the executive department to freeze

funds, the proposed action would be an invitation by the Congress for the President to turn "power" into "right." The average Member of Congress—and I am sure it is true of the American people as a whole—is for a reduction in expenditures.

In case the Bow amendment is adopted, it will cut expenditures back to the $131.5 billion level. I expect to offer a substitute for the entire bill, striking out all after the enacting clause, which would call, in my opinion, for larger reductions, though I would make the exceptions as I mentioned earlier, such as military expenditures in Southeast Asia, military personnel, payment of interest on the national debt, social security payments, veterans' retirement benefits, and all the rest of like kind. So in the event the Bow amendment is adopted fixing a ceiling on expenditures, I expect to offer as a substitute my own amendment, which would, I believe cut expenditures more, but would tie the limitations to the spending in 1967, when the Congress set the level. Where the amendment of the gentleman from Ohio has to do with the whole Federal Government, mine would tie the restriction down by departments and agencies.

In order to make my amendment applicable, it might be appropriate to take the Bow amendment, setting a limit, and then take mine, which will not tie the limitation down to the Budget Bureau figure but will tie it down to the 1967 spending, where Congress fixed the amount, and again I would make it applicable alike to each department and agency instead of permitting the President to apply the reduction where he wished, saving what he might prefer.

What I intend to offer would scale executive departments back to the 1967 level, and with few exceptions that is all they have been spending. They have been living only in the hopes of these increased appropriations.

The Bow amendment by itself, I would think, is wholly unsound, because it gives the President too much power. While I don't think he would, he could save his "butter" and cut our guns. I would tie the cuts to the 1967 spending. I think the provision I shall offer would carry out what we want to do. If the Bow amendment is offered, I will offer my substitute, setting up where the reduced expenditures, below this years' budget, must be applied.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I am doing my best to understand what the Bow amendment would do if it is passed. I understand it is an amendment to the resolution which would mean we would have two things, the committee resolution and the Bow amendment. Is there anyone here who can explain what the effect would be if these passed the House today together?

Mr. WHITTEN. I will say I would hope we would accept my substitute for it. My substitute would be to strike out all after the enacting clause and would tie cuts in budgeted spending for 1968 to the 1969 level, which is fixed by the Congress, with the exceptions which I have earlier spelled out.

Mr. MAHON. Mr. Chairman, I rise in opposition to the Bow amendment.

Mr. Chairman, I do not want to belabor this issue. We have debated it and debated it and debated it for weeks. I feel that the House of Representatives has done a good job in its efforts to reduce spending by its action on appropriation bills generally. We will certainly reduce the President's appropriation budget by as much as $6 billion. This will not be reflected in spending cuts to that extent in fiscal year 1968, but it will save $6 billion in total in the next 2 or 3 years. If we adopt the bill as submitted here today, the appropriation total reduction, we estimate, would go to $7.5 billion. The reduction in spending—in the first year, fiscal 1968—would probably be about $3 billion or $3.5 billion, the remainder would come in later years. It seems to me that this is the procedure to be followed if we wish to make our imprint on fiscal matters and preserve for the House of Representatives that cherished right of the power of the purse.

The gentleman from Ohio does not propose to "reduce" spending. He proposes to deny the expenditure of $5 billion—during the current fiscal year, that is. He does not rescind this money, because the $5 billion would remain available during the fiscal year 1969—if it were no-year money. So to some extent this would not be very much a money-saving amendment. It would reduce spending this year, but it would not save great amounts of money ultimately. The money, probably most of it, would still be available for expenditure in the hands of the executive branch.

The gentleman from Mississippi, who has worked very diligently in connection with these matters, has discussed with the Members an amendment which he may offer if the Bow amendment is adopted. He would substitute for the Bow amendment an amendment which would also reserve, for the fiscal year, about $5 to $7 billion, or more. No one knows just how much reduction in spending these amendments would bring about. But neither the Bow nor the Whitten amendments would reduce any of the obligational authority in the hands of the President.

I feel that we should not reduce ourselves to the puny position of a debating society and let the executive branch fully determine what shall be the expenditure pattern of this Government. We can remain in the driver's seat by controlling the amount of money we appropriate and make available to the executive branch for expenditure.

I believe we in Congress ought to do it by appropriations.

It is all right to say, "Mr. President, delay the spending of $5 billion or $7 billion." But we have seen here today the difficulty of even a modest reduction in appropriations. All this resolution provided was a relatively modest reduction in appropriations of about $1.5 billion, and we ran into all manner of trouble. It became apparent to one and all that the cut in appropriations of some $1.5 billion was very painful and difficult.

But this proposal would be turning over to the President the authority, and mandating him, without instructions from us, except that the gentleman from Mississippi [Mr. WHITTEN] would say, "You have got to confine your slowdowns, your reserves, to each individual agency and department."

This is just too much power to give to any President. It is too much of an abdication on the part of Members of Congress.

This is no time to slow down the Government and to bring about a fiscal crisis. This proposal means we may well be hanging here in conference between the House and Senate for days and days with this issue.

We are in a war. This continuing resolution ought to pass. It can be worked out if we do not have in it the Bow amendment or the Whitten substitute.

I urge the House to vote down the Bow amendment and to approve the resolution which was brought here earlier in the afternoon by the Committee on Appropriations.

Mr. Chairman, I move that all debate on the bill do now close.

Mr. BOW. Mr. Chairman, is the gentleman talking about the joint resolution?

Mr. MAHON. Mr. Chairman, I withdraw that motion, and I move that all debate on the Bow amendment do now close.

Mr. BOW. Mr. Chairman, I join the gentleman in that.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Bow and Mr. MAHON.

The Committee divided; and the tellers reported that there were—ayes 177, noes 130.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Strike all after the resolving clause and insert in lieu thereof the following:

"That the joint resolution of October 5, 1967 (Public Law 90–102) is hereby amended by striking out 'October 23, 1967' and inserting in lieu thereof 'November 23, 1967' and by adding the following language:

" '*Provided further*, That for fiscal year 1968, unless hostilities in Vietnam and Southeast Asia should cease earlier, Federal spending of appropriated funds except expenditures from trust funds by each department and agency of Government, including the legislative and judicial branches, except for military expenditures of the Department of Defense directly related to our involvement in Southeast Asia, including pay of all military personnel, the payment of interest on the national debt, payments under the Social Security Act, veterans and other retirement benefits, medicare and old-age assistance payments, shall not exceed the amount expended during fiscal year 1967, except that the limitation on the Department of Transportation shall not be more than 95 per centum of the budgeted amount for 1968: *Provided further*, That where deemed neces-

sary to maintain mail service, the President is authorized to exempt the Post Office Department from the provisions of this Act: *Provided further*, That should the President deem it necessary for collection of revenue, he is authorized to exempt, to the extent necessary, the Internal Revenue and the Customs Services: *Provided further*, That such reduction of expenditures insofar as practical may be made by stretching out the time schedule of performance and payment on contracts so as not to require the elimination of new construction starts, and by each department and agency not filling vacancies.' "

Mr. WHITTEN. Mr. Chairman, I hope I can have order and I think, perhaps, having discussed this earlier, the best thing I can do would be to read my amendment, if the members of the Committee will follow me. It is my opinion that the language of the substitute amendment speaks for itself better than I can add to it. So, skipping over the formal part which the members of the Committee heard read and which merely extends the time for the continuing resolution, the remainder is as follows:

Provided further, That for fiscal year 1968, unless hostilities in Vietnam and Southeast Asia should cease earlier, Federal spending of appropriated funds except expenditures from trust funds by each department and agency of Government, including the legislative and judicial branches, except for military expenditures of the Department of Defense directly related to our involvement in Southeast Asia, including pay of all military personnel, the payment of interest on the national debt, payments under the Social Security Act, veterans and other retirement benefits, medicare and old-age assistance payments, shall not exceed the amount expended during fiscal year 1967, except that the limitation on the Department of Transportation shall not be more than 95 per centum of the budgeted amount for 1968: *Provided further*, That where deemed necessary to maintain mail service, the President is authorized to exempt the Post Office Department from the provisions of this Act: *And provided further*, should the President deem it necessary for collection of revenue, he is authorized to exempt, to the extent necessary, the Internal Revenue and the Customs Services: *Provided further*, That such reduction of expenditures insofar as practical may be made by stretching out the time schedule of performance and payment on contracts so as not to require the elimination of new construction starts, and by each department and agency not filling vacancies.

Mr. Chairman, there are several things that I believe I should again call to the attention of the Members. One is that fact that most of the departments in question have been operating at the 1967 level with few exceptions because they are required to do so by the continuing resolutions under which they have been operating, and those few exceptions have operated under 1968 appropriations for only a few weeks, so the reductions, to a tremendous degree, are reductions in proposed or authorized increased expenditures for the rest of this fiscal year. Where the Bow amendment as it stands would leave to the President the application of the reductions from the $136.5 billion contemplated in the budget to $131.5 billion, here we make the exceptions which the Members have heard, and we place the restrictions, department by department and agency by agency, on a fair and equitable basis.

Now, I realize that we are a growing country with more and more mail and more and more people, so I have provided that where the President determines that mail service requires it, he may make an exception to our restrictions. I do not know that I believe in the argument altogether about the Internal Revenue and Customs Service, but with an increasing workload and more and more people in our country, it stands to reason that they might require more people to collect more revenue. At any rate, should the President determine that either service does, he can make such determination and waive the requirements of my amendment for the Internal Revenue Service and the Customs Service to the extent necessary.

Now, we are all in a very practical business here. We cannot stop taking care of our country. You will recall I was the author of the successful motion some years ago to override the President's veto of public works necessary for the protection of our country. With my feeling, and I certainly believe it expresses the intent of the Congress, I provide that insofar as possible in holding these departments and agencies in cutting or holding back expenditures to the 1967 level, which is about all any of them have known, that insofar as practical it may be done by stretching out the time schedule of performance and payment on contracts so that we ourselves will not be hereby necessitating the elimination of new projects. We must not stop taking care of our country in a time of war unless it is absolutely forced upon us. All depends upon how strong we keep our country at home. And then I say to each department and agency, "Insofar as practical, try to live by your 1967 level by not filling vacancies."

Now, we do not say that you cannot hire, we just say "insofar as practical," and, Mr. Chairman, in conclusion, I do not know how to do this job facing us any better than this to meet the problems that we have, as my amendment attempts to do.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ANDREWS of Alabama, and by unanimous consent, Mr. WHITTEN was allowed to proceed for 5 additional minutes.)

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

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

Mr. ANDREWS of Alabama. If I remember correctly, the gentleman stated earlier that his amendment would save approximately $7 billion or $7.5 billion, is that correct, based on the estimates the gentleman has had from the staff members of our committee?

Mr. WHITTEN. May I say to the gentleman, that is my judgment based on the best information I have. The spending budget or the money spent in fiscal year 1967 was $125.7 billion. The budgeted spending for 1968 was $136.5 billion making a difference of $10.8 billion between 1967 and the amount budgeted for spending in 1968.

The reduced expenditures from the 1968 budget called for by my amendment has varied from $5 billion to $7.5 billion. I am inclined to believe that the figure $7.5 billion is closer. There are a number of contingencies which cannot be firmly figured. But I would like to say at this point that under the Bow amendment which you just adopted, and for which I shall offer my substitute, you cut back only $5 billion. Under my amendment I believe we will cut more, but more important it is done by cutting all departments and agencies back, or holding them back, to their 1967 levels, with the exception, of course, of Vietnam needs. Nearly all of them are, or were, until a short time ago, operating under continuing resolutions at the 1967 level or less. The few departments that have had their appropriation bills finally enacted have had them for only a relatively few weeks, so you are really not cutting anything back much from where it is, but just keeping them from expanding and spending, from going on up, and we make exceptions for old-age assistance and other places where the number of people and the amount committed are something that we should not try to renege on at this time.

Mr. ANDREWS of Alabama. Under the provisions of your amendment, the cuts would be made by the Congress rather than by the President?

Mr. WHITTEN. It is. My amendment ties the limitation to the action of the Congress in providing money for 1967. That is one way. The other thing that this does as against the Bow amendment is that this makes it apply to each department and to each agency whereas the Bow amendment applies only to the whole Federal Government. The President could do anything so far as application of the $5 billion holdback is concerned. In fact the Bow amendment invites him to—I think we need to make the tiedown ourselves.

Mr. ANDREWS of Alabama. In my opinion, the approach under the gentleman's amendment is much better than the approach under the amendment offered by the gentleman from Ohio [Mr. Bow] for the reason first that it would save more money and, secondly, that it is a more orderly way in which to impose reductions.

Mr. WHITTEN. I thank my friend and colleague from Alabama, who has contributed so much sound judgment to the Congress. Every department and agency knows what they spent last year so you have a solid starting point. So far as those agencies here that you might be interested in, we treat them all alike with exceptions in those areas where I think everybody here is willing to agree that we should have excepted. We cannot and would not want to cut people out of social security payments or old-age assistance when others no more qualified are receiving theirs. We may have many hundreds of thousands of more people entitled to certain benefits under the law in 1968 than in 1967. But I think that we, as Members of the Congress want to reserve the right to make these decisions. My amendment leaves the Congress where we have acted fairly, judiciously treating each department and agency alike and we have tried to have

as a starting point 1967 where we, the Congress, set the figures. In this time of war what department or agency can rightly complain when we provide that they cannot go above at the 1967 spending level, which as I have said, is about all that any department has had. Of course, again I recognize the exception of the postal service where the workload may increase and the others provided in my amendment.

AMENDMENT OFFERED BY MR. BOW TO THE AMENDMENT OFFERED BY MR. WHITTEN

Mr. BOW. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Missiissippi.

The Clerk read as follows:

Amendment offered by Mr. Bow to the amendment offered by Mr. WHITTEN: At the end of the substitute resolution add the following:

"*Provided further*, That net aggregate administrative budget expenditures during the fiscal year ending June 30, 1968 shall not exceed $131,500,000,000, except by those expenditures in excess of $22 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia."

Mr. BOW. Mr. Chairman, I again will say that I am not going to take a great deal of the time of the Committee.

This is the Bow amendment which was just adopted to the regular bill and it now amends the substitute resolution.

If the substitute that has been offered by the gentleman from Mississippi does all the things that he says it does and there are some awfully good sounding words in it—let us top it off by putting a double lock on it and put on an expenditure limitation and have it the way he now has the House handling it, but let us be sure we have a lock on by putting a spending level in it.

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

Mr. BOW. I yield to the gentleman.

Mr. WHITTEN. May I say to the gentleman that if the language were modified to say "in no case to exceed $131,500,000,000," I would have no objection.

Mr. BOW. That is exactly what it says.

Mr. WHITTEN. But there seemed to be some other language in the gentleman's amendment.

Mr. BOW. That is exactly what it says.

Mr. WHITTEN. I was interrupted. I am sorry. Will the gentleman repeat it?

Mr. BOW. The amendment states:

At the end of the substitute resolution add the following:

"*Provided further*, That net aggregate administrative budget expenditures during the fiscal year ending June 30, 1968, shall not exceed $131,500,000,000, except by those expenditures in excess of $22 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia."

Mr. WHITTEN. I have to object to the last part of the amendment because the provision that I have stated, the $22 billion, might be taken as a limitation and I would not want to risk that. If the gentleman would agree to strike out the last part of the amendment and follow the language of my amendment, I would have no objection to it.

Mr. BOW. I am sorry. I have about 50 Members advising me and I did not hear the gentleman.

Mr. WHITTEN. I said the amendment that I have offered would make an exception for all of the things that are directly related to our operations in South Vietnam. I am afraid that if the language having to do with the $22 billion for operations in South Vietnam were to remain, it would be accepted as something of a limitation. If the gentleman would put a period after the $131.5 billion——

Mr. BOW. I think the exception is there. If the President finds that they need money in excess of $22 billion, the President can determine it is necessary and can spend it.

Mr. WHITTEN. I would certainly not agree to language which would place a limitation on meeting the needs of our men in Vietnam.

Mr. BOW. I think unintentionally the gentleman is doing the same thing.

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

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

Mr. GERALD R. FORD. In examining the language of the Whitten amendment, and relating it to the particular provisions that are included in the Bow amendment, there is no conflict between the two——

Mr. WHITTEN. Mr. Chairman, will the gentleman from Ohio yield?

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

Mr. WHITTEN. May I say that, since I have not seen the language, I was trusting my memory, and now I observe the language "except those expenditures in excess of".

In view of that, I have no objection to the amendment though I believe it surplusage. My provision while reducing expenditures more ties the intent of the Congress down to department and agency rather than leaving the Executive the right to cut $5,000,000,000 where he might want to.

Mr. MAHON. Mr. Chairman, I rise in opposition to the Bow amendment.

A somewhat confused situation exists. The Committee of the Whole House has approved a joint resolution making certain recisions, through debate and adoption, with some modification, of the first six sections of the joint resolution considered earlier this afternoon.

The gentleman from Mississippi has proposed to strike it out, and he has proposed a substitute amendment which is a modified form of the Bow amendment. It would eliminate the specific savings and reductions which were pinpointed in the original joint resolution. But it would make greater overall reductions—or, more precisely, deferrals of expenditures until 1969.

The gentleman from Ohio has now offered the Bow amendment, in its pure form, with all its chastity and attractiveness, to the Whitten substitute. It seems to me that we ought to preserve the work which we have done all afternoon and preserve the joint resolution which we have proposed.

Since Mr. WHITTEN'S amendment would strike out the work of the House and give us one form of the Bow amendment, as I see it, and the gentleman from Ohio [Mr. Bow] would give us the real form of the Bow amendment, it would be better not to adopt the present Bow amendment and not to adopt the Whitten amendment and leave the joint resolution as it was. The House, in Committee of the Whole, acted. It exercised its will and adopted the original resolution which I had presented earlier in the afternoon, plus the Bow amendment.

As between the Bow amendment and the Whitten amendment, I would probably prefer the Whitten amendment, except that it strikes out all the other economy provisions which we have accepted during the afternoon. As the House knows, this resolution will go to the other body. It will not be approved, in my opinion, and we will be tied up here for I do not know how many days in connection with this matter, whichever way we go. I just wanted to outline the situation. The House, of course, is free to work its own will.

My best guess is that the Bow amendment, as a conservative estimate, will defer expenditures by $5 billion, and probably by a much greater sum because spending is going higher than was estimated in the budget. Mr. WHITTEN'S amendment, I think, would cut even more deeply, and this may be what the House would like to do. But I do not think it would be wise for us to take this step. However, the House must work its will on this very important measure.

In my opinion the $7½ billion cut which we expect to make in appropriations requests is a wiser and more responsible course. The $7½ billion would be a genuine saving. The Bow and Whitten proposals involve deferrals to a very considerable extent, rather than reductions, and the funds become available for expenditure after the end of fiscal 1968 if they are "no-year" funds. A dollar not appropriated is a dollar that cannot be spent, but a dollar appropriated but not spent this year may—and to a very considerable extent would be—spent after the end of fiscal 1968.

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

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

Mr. WHITTEN. Mr. Chairman, I heard the gentleman make the reference earlier to the fact that we would cut out the savings we had made earlier in the day. I saw the blackboard which the gentleman had and the savings under this substitute or the other—which are approximately twice as much as claimed by the gentleman.

May I say further—and I appreciate the gentleman yielding—that the gentleman's figures are tied to those of the Bureau of the Budget, which, of course, is an executive department, and I think it is much more sound to use as a starting point the actions of the Congress in 1967, and while our savings are twice those shown by the gentleman on the blackboard, it is done by pushing them back to the 1967 level, where most of them already are.

Mr. MAHON. Mr. Chairman, I would like to make this point, that the continuing resolutions which we have had—and we have had four of them—have not been tied to expenditures. The continuing resolutions have been tied to appropriations. Funds provided in previous

years have not been under the jurisdiction of the continuing resolutions. The continuing resolutions only referred to appropriations and not to spending. So I would trust that the proposals would be voted down.

Mr. Chairman, I move that all debate on these amendments do now close.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agree to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow] to the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken.

Mr. BOW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Bow and Mr. MAHON.

The Committee divided, and the tellers reported that there were—ayes 192, noes 131.

So the amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA TO THE AMENDMENT OFFERED BY MR. WHITTEN

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia to the amendment offered by Mr. WHITTEN: After the last proviso insert a new proviso to read:

"*Provided further*, That appropriations made by Public Law 90-102, as amended, shall be available for activities budgeted under 'Office of Economic Opportunity, Economic Opportunity Program' at a rate not in excess of that which would be provided for by an appropriation of $1,200,000,000 for the fiscal year ending June 30, 1968."

Mr. MAHON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. MAHON. Mr. Chairman, this matter has already been approved by the House in a previous action. Therefore, I make a point of order against it.

Mr. BROYHILL of Virginia. Mr. Chairman, the language of my amendment is the same amendment that I attempted to offer prior to the time of debate. It was ruled out of order because a new section has been added. The new section will strike out all after the enacting clause, and this is merely an amendment to the amendment.

The CHAIRMAN. It is the ruling of the Chair that the amendment offered by the gentleman from Virginia is an amendment to the Whitten amendment and is therefore in order at this point.

Mr. GERALD R. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GERALD R. FORD. My understanding is, Mr. Chairman, that the Chair has ruled that the gentleman from Virginia has no time to discuss his amendment. It seems to me, if my recollection is correct, that the time limitation offered by the gentleman from Texas and approved by the House was only to the Bow amendment to the substitute. If that is true, then it would seem to me that the gentleman from Virginia would not be precluded and would have the opportunity to discuss his amendment.

The CHAIRMAN. It is the opinion of the Chair that the motion that was made to close debate was to the pending Whitten amendment and amendments thereto. Therefore, there is no more time for debate on this matter.

Mr. BROYHILL of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROYHILL of Virginia. I understand the Whitten amendment now reads that it would permit an expenditure by the Office of Economic Opportunity in this fiscal year of $1,687,000,000. Is my understanding correct on that?

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL] to the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that the amendment be reread.

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

Mr. HAYS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL] to the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken.

Mr. BROYHILL of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BROYHILL of Virginia and Mr. MAHON.

The Committee divided, and the tellers reported that there were—ayes 167, noes 132.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN] as amended.

AMENDMENT OFFERED BY MR. PASSMAN TO THE AMENDMENT OFFERED BY MR. WHITTEN

Mr. PASSMAN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN to the amendment offered by Mr. WHITTEN: At the end thereof add the following:

"Obligations during the period by section 1 hereof for activities to be authorized by the Foreign Assistance Act of 1967 (S. 1872 or similar legislation) shall not exceed an annual rate of $2,000,000,000 during the fiscal year ending June 30, 1968."

Mr. PASSMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. PASSMAN. Mr. Chairman, is it permissible to state to the Committee that this is the same amendment that was adopted earlier?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry, and the amendment is not debatable.

The question is on the amendment offered by the gentleman from Louisiana [Mr. PASSMAN], to the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN], as amended.

Mr. WAGGONNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. WAGGONNER. The Chair has stated the vote occurs now on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN]. Is it not more accurate to say that this is a vote on the substitute by the gentleman from Mississippi, as amended by the Bow, Broyhill of Virginia, and Passman amendments?

The CHAIRMAN. This is the pending amendment on the Clerk's desk. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. VANIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (H.J. Res. 888) making continuing appropriations for the fiscal year 1968, and for other purposes, pursuant to House Resolution 949, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. ALBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. ALBERT. Mr. Speaker, the parliamentary inquiry is—is it possible to get a separate vote on any of the amendments to the Whitten amendment, including the amendments reducing the OEO program and the foreign aid program?

The SPEAKER. Not in the House at this time. There is one amendment that has been reported by the Committee of the Whole.

Mr. ALBERT. Then the only vote on those amendments would be on the Whitten amendment itself.

The SPEAKER. The gentleman is correct.

The question is on the amendment.

Mr. GERALD R. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. GERALD R. FORD. Mr. Speaker, is this vote on the Whitten amendment, as amended?

The SPEAKER. The vote is on the Whitten amendment, as amended.

Mr. GERALD R. FORD. So a vote

"yea" is for the Whitten amendment, as amended, and a vote "nay" is obviously in opposition?

The SPEAKER. The question is on the amendment.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 238, nays 164, not voting 30, as follows:

[Roll No. 319]

YEAS—238

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Ashmore
Ayres
Baring
Bates
Battin
Belcher
Bennett
Berry
Betts
Bevill
Biester
Blackburn
Blanton
Bow
Bray
Brinkley
Brock
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson
Burton, Utah
Bush
Byrnes, Wis.
Cabell
Cahill
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Colmer
Conable
Conte
Corbett
Cowger
Cramer
Cunningham
Curtis
Davis, Ga.
Davis, Wis.
Dellenback
Denney
Derwinski
Devine
Dickinson
Dole
Dorn
Dowdy
Downing
Duncan
Dwyer
Edwards, Ala.
Edwards, La.
Erlenborn
Esch
Eshleman
Everett
Findley
Fino
Fisher
Flynt
Foley
Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Galifianakis
Gardner
Gathings
Gettys
Goodell
Goodling
Gross
Grover
Gubser
Gurney
Hagan
Haley
Hall
Halleck
Hammer-schmidt
Hansen, Idaho
Hardy
Harrison
Harsha
Harvey
Heckler, Mass.
Henderson
Hosmer
Hull
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jonas
Keith
King, N.Y.
Kleppe
Kornegay
Kuykendall
Kyl
Laird
Langen
Lennon
Lipscomb
Lloyd
Long, La.
Lukens
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McMillan
MacGregor
Machen
Mailliard
Marsh
Martin
May
Mayne
Meskill
Michel
Miller, Ohio
Mills
Minshall
Mize
Montgomery
Moore
Morris, N. Mex.
Morton
Mosher
Myers
Nelsen
Nichols
O'Konski
O'Neal, Ga.
Passman
Pelly
Pettis
Pirnie
Poage
Poff
Pollock
Pool
Price, Tex.
Pryor
Quie
Quillen
Railsback
Randall
Reid, Ill.
Reifel
Reinecke
Rhodes, Ariz.
Riegle
Rivers
Roberts
Robison
Rogers, Fla.
Roth
Roudebush
Rumsfeld
Ruppe
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Skubitz
Smith, Calif.
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Stuckey
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Thompson, Ga.
Thomson, Wis.
Tuck
Ullman
Utt
Vander Jagt
Waggonner
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Winn
Wyatt
Wydler
Wylie
Wyman
Zion
Zwach

NAYS—164

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Barrett
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Brooks
Brown, Calif.
Burke, Mass.
Burton, Calif.
Button
Byrne, Pa.
Carey
Casey
Celler
Clark
Cohelan
Conyers
Corman
Daddario
Daniels
de la Garza
Delaney
Dent
Diggs
Dingell
Donohue
Dow
Dulski
Eckhardt
Edmondson
Eilberg
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Flood
Ford, William D.
Fraser
Friedel
Fulton, Tenn.
Gallagher
Garmatz
Giaimo
Gibbons
Gilbert
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Hicks
Holifield
Horton
Howard
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kazen
Kee
Kelly
King, Calif.
Kirwan
Kluczynski
Kupferman
Kyros
Leggett
Long, Md.
McCarthy
McFall
Macdonald, Mass.
Madden
Mahon
Mathias, Md.
Matsunaga
Meeds
Miller, Calif.
Minish
Mink
Monagan
Moorhead
Morse, Mass.
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill, Mass.
Ottinger
Patten
Perkins
Philbin
Pickle
Pike
Price, Ill.
Pucinski
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Scheuer
Sisk
Slack
Smith, Iowa
Staggers
Steed
Stratton
Sullivan
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
Wilson, Charles H.
Wolff
Wright
Yates
Young
Zablocki

NOT VOTING—30

Bell
Boggs
Bolton
Broomfield
Culver
Dawson
Edwards, Calif.
Fountain
Fuqua
Hébert
Herlong
Holland
Jones, Mo.
Jones, N.C.
Landrum
Latta
Mathias, Calif.
Morgan
Patman
Pepper
Purcell
Rarick
Rees
St. Onge
Stephens
Tenzer
Tunney
Williams, Miss.
Willis
Wilson, Bob

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Boggs against.

Mrs. Bolton for, with Mr. Morgan against.

Mr. Stephens for, with Mr. Tenzer against.

Mr. Jones of North Carolina for, with Mr. Willis against.

Mr. Landrum for, with Mr. Pepper against.

Mr. Rarick for, with Mr. St. Onge against.

Mr. Bob Wilson for, with Mr. Patman against.

Mr. Latta for, with Mr. Holland against.

Mr. Broomfield for, with Mr. Dawson against.

Mr. Fuqua for, with Mr. Culver against.

Mr. Herlong for, with Mr. Edwards of California against.

Until further notice:

Mr. Hébert with Mr. Mathias of California.

Mr. Tunney with Mr. Bell.

Mr. Rees with Mr. Purcell.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. KUPFERMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. KUPFERMAN. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KUPFERMAN moves to recommit the joint resolution to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question is on the motion to recommit.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 158, nays 244, not voting 30, as follows:

[Roll No. 320]

YEAS—158

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Barrett
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Brooks
Brown, Calif.
Burke, Mass.
Burton, Calif.
Button
Byrne, Pa.
Carey
Casey
Celler
Clark
Cohelan
Conyers
Corman
Daddario
Daniels
de la Garza
Delaney
Dent
Diggs
Dingell
Donohue
Dow
Dulski
Eckhardt
Edmondson
Eilberg
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Flood
Foley
Ford, William D.
Fraser
Friedel
Fulton, Tenn.
Gallagher
Garmatz
Giaimo
Gibbons
Gilbert
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Hicks
Holifield
Horton
Howard
Irwin
Jacobs
Joelson
Johnson, Calif.
Karsten
Karth
Kastenmeier
Kazen
Kee
Kelly
King, Calif.
Kirwan
Kupferman
Kyros
Leggett
Long, Md.
McCarthy
McFall
Madden
Mahon
Mathias, Md.
Matsunaga
Meeds
Miller, Calif.
Minish
Mink
Monagan
Moorhead
Morse, Mass.
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill, Mass.
Ottinger
Patten
Perkins
Philbin
Price, Ill.
Pucinski
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rodino
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Scheuer
Shipley
Sisk
Slack
Smith, Iowa
Staggers
Sullivan
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
Wilson, Charles H.
Wolff
Wright
Yates
Young
Zablocki

NAYS—244

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Ashmore
Aspinall
Ayres
Baring
Bates
Battin
Belcher
Bennett
Berry
Betts
Bevill
Biester
Blackburn
Blanton
Bow
Bray
Brinkley
Brock
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan

Burke, Fla.
Burleson
Burton, Utah
Bush
Byrnes, Wis.
Cabell
Cahill
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Colmer
Conable
Conte
Corbett
Cowger
Cramer
Cunningham
Curtis
Davis, Ga.
Davis, Wis.
Dellenback
Denney
Derwinski
Devine
Dickinson
Dole
Dorn
Dowdy
Downing
Duncan
Dwyer
Edwards, Ala.
Edwards, La.
Erlenborn
Esch
Eshleman
Everett
Findley
Fino
Fisher
Flynt
Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Galifianakis
Gardner
Gathings
Gettys
Goodell
Goodling
Gross
Grover
Gubser
Gurney
Hagan
Haley
Hall
Halleck
Hammer-schmidt
Hansen, Idaho
Hardy
Harrison
Harsha
Harvey
Heckler, Mass.
Henderson
Hosmer
Hull
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jonas
Jones, Ala.
Keith
King, N.Y.
Kleppe
Kluczynski
Kornegay
Kuykendall
Kyl
Laird
Langen
Lennon
Lipscomb
Long, La.
Lukens
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McMillan
Macdonald, Mass.
MacGregor
Machen
Mailliard
Marsh
Martin
May
Mayne
Meskill
Michel
Miller, Ohio
Mills
Minshall
Mize
Montgomery
Moore
Morris, N. Mex.
Morton
Mosher
Myers
Nelsen
Nichols
O'Konski
O'Neal, Ga.
Passman
Pelly
Pettis
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Tex.
Pryor
Quie
Quillen
Railsback
Randall
Reid, Ill.
Reifel
Reinecke
Rhodes, Ariz.
Riegle
Rivers
Roberts
Robison
Rogers, Colo.
Rogers, Fla.
Roth
Roudebush
Rumsfeld
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Skubitz
Smith, Calif.
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Thompson, Ga.
Thomson, Wis.
Tuck
Ullman
Utt
Vander Jagt
Waggonner
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Zion
Zwach

NOT VOTING—30

Bell
Boggs
Bolton
Broomfield
Culver
Dawson
Edwards, Calif.
Fountain
Fuqua
Hébert
Herlong
Holland
Jones, Mo.
Jones, N.C.
Landrum
Latta
Lloyd
Mathias, Calif.
Morgan
Patman
Pepper
Purcell
Rarick
Rees
St. Onge
Stephens
Tenzer
Tunney
Williams, Miss.
Willis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mrs. Bolton against.

Mr. Patman for, with Mr. Broomfield against.

Mr. St. Onge for, with Mr. Latta against.

Mr. Morgan for, with Mr. Lloyd against.

Mr. Tenzer for, with Mr. Hébert against.

Mr. Willis for, with Mr. Fountain against.

Mr. Pepper for, with Mr. Stephens against.

Mr. Culver for, with Mr. Jones of North Carolina against.

Mr. Holland for, with Mr. Landrum against.

Mr. Tunney for, with Mr. Rarick against.

Mr. Rees for, with Mr. Fuqua against.

Mr. Dawson for, with Mr. Herlong against.

Until further notice:

Mr. Edwards of California with Mr. Purcell.

Mr. Williams of Mississippi with Mr. Bell.

Mr. HARDY changed his vote from "yea" to "nay."

Messrs. BOLAND, GRAY, CHARLES H. WILSON, and EVANS of Colorado changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the passage of the joint resolution.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 254, nays 143, not voting 35, as follows:

[Roll No. 321]

YEAS—254

Abbitt
Abernethy
Adair
Adams
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Ashmore
Aspinall
Ayres
Baring
Bates
Battin
Belcher
Bennett
Berry
Betts
Bevill
Biester
Blackburn
Blanton
Bow
Bray
Brinkley
Brock
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson
Burton, Utah
Bush
Byrnes, Wis.
Cabell
Cahill
Carter
Casey
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Colmer
Conable
Conte
Corbett
Cowger
Cramer
Cunningham
Curtis
Davis, Ga.
Davis, Wis.
Dellenback
Denney
Devine
Dickinson
Dole
Dorn
Dowdy
Downing
Duncan
Dwyer
Edwards, Ala.
Edwards, La.
Eilberg
Erlenborn
Esch
Eshleman
Everett
Evins, Tenn.
Fallon
Findley
Fino
Fisher
Flynt
Foley
Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Fulton, Tenn.
Galifianakis
Gardner
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Goodell
Goodling
Gray
Green, Oreg.
Gross
Grover
Gubser
Gurney
Hagan
Haley
Hall
Halleck
Hammer-schmidt
Hanley
Hansen, Idaho
Hardy
Harrison
Harsha
Harvey
Hechler, W. Va.
Heckler, Mass.
Henderson
Hosmer
Hull
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jonas
Keith
King, N.Y.
Kleppe
Kornegay
Kuykendall
Kyl
Kyros
Laird
Langen
Lennon
Lipscomb
Long, La.
Lukens
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McMillan
Macdonald, Mass.
MacGregor
Machen
Mailliard
Marsh
Martin
May
Mayne
Meskill
Michel
Miller, Ohio
Mills
Minshall
Mize
Montgomery
Moore
Morris, N. Mex.
Morton
Myers
Nelsen
Nichols
O'Konski
O'Neal, Ga.
Passman
Pelly
Pettis
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Tex.
Pryor
Quie
Quillen
Railsback
Randall
Reid, Ill.
Reifel
Reinecke
Rhodes, Ariz.
Riegle
Rivers
Roberts
Robison
Rogers, Colo.
Rogers, Fla.
Roth
Roudebush
Rumsfeld
Ruppe
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Skubitz
Smith, Calif.
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Taft
Talcott
Taylor
Teague, Calif.
Thompson, Ga.
Thomson, Wis.
Tuck
Ullman
Vander Jagt
Waggonner
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Zion
Zwach

NAYS—143

Addabbo
Albert
Annunzio
Barrett
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Brooks
Brown, Calif.
Burke, Mass.
Burton, Calif.
Button
Byrne, Pa.
Carey
Celler
Clark
Cohelan
Conyers
Corman
Daddario
Daniels
de la Garza
Delaney
Dent
Derwinski
Diggs
Dingell
Donohue
Dow
Dulski
Eckhardt
Edmondson
Evans, Colo.
Farbstein
Fascell
Feighan
Flood
Ford, William D.
Fraser
Friedel
Gallagher
Gilbert
Gonzalez
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanna
Hansen, Wash.
Hathaway
Hays
Helstoski
Hicks
Holifield
Horton
Howard
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kazen
Kee
Kelly
King, Calif.
Kirwan
Kluczynski
Kupferman
Leggett
Long, Md.
McCarthy
McFall
Madden
Mahon
Mathias, Md.
Matsunaga
Meeds
Miller, Calif.
Minish
Mink
Monagan
Moorhead
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill, Mass.
Ottinger
Patten
Perkins
Philbin
Pickle
Price, Ill.
Pucinski
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rodino
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Scheuer
Sisk
Slack
Smith, Iowa
Staggers
Steed
Sullivan
Teague, Tex.
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
Wilson, Charles H.
Wolff
Wright
Yates
Young
Zablocki

NOT VOTING—35

Ashley
Bell
Boggs
Bolton
Broomfield
Culver
Dawson
Edwards, Calif.
Fountain
Fuqua
Hawkins
Hébert
Herlong
Holland
Jones, Mo.
Jones, N.C.
Landrum
Latta
Lloyd
Mathias, Calif.
Morgan
Morse, Mass.
Mosher
Patman
Pepper
Purcell
Rarick
Rees
St. Onge
Stephens
Tenzer
Tunney
Utt
Williams, Miss.
Willis

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. St. Onge against.

Mr. Landrum for, with Mr. Boggs against.

Mr. Fountain for, with Mr. Morgan against.

Mr. Stephens for, with Mr. Hawkins against.

Mr. Rarick for, with Mr. Holland against.

Mr. Fuqua for, with Mr. Morse of Massachusetts against.

Mr. Herlong for, with Mr. Pepper against.

Mr. Jones of North Carolina for, with Mr. Patman against.

Mrs. Bolton for, with Mr. Culver against.

Mr. Broomfield for, with Mr. Tenzer against.

Mr. Latta for, with Mr. Ashley against.
Mr. Mosher for, with Mr. Dawson against.
Mr. Utt for, with Mr. Edwards of California against.
Mr. Bell for, with Mr. Rees against.
Mr. Lloyd for, with Mr. Tunney against.
Mr. Mathias of California for, with Mr. Willis against.

Until further notice:

Mr. Williams of Mississippi with Mr. Purcell.

Mr. McCARTHY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed and that they be permitted to include certain brief and pertinent excerpts.

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

There was no objection.

AMENDING THE COMMUNICATIONS ACT OF 1934—CONFERENCE REPORT

Mr. STAGGERS submitted conference report and statement on the bill (S. 1160) to amend the Communications Act of 1934 by extending and improving the provisions thereof relating to grants for construction of educational television broadcasting facilities, by authorizing assistance in the construction of noncommercial educational radio broadcasting facilities, by establishing a nonprofit corporation to assist in establishing innovative educational programs, to facilitate educational program availability, and to aid the operation of educational broadcasting facilities; and to authorize a comprehensive study of instructional television and radio; and for other purposes.

SLOW DOWN FLIGHT TO CITIES BY INCREASING RURAL DEVELOPMENT

Mr. SAYLOR. 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 Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, in the popular quiz games of a few years ago, a contestant was almost certain to be asked how much space each person would have if all the people in the world were placed in the State of Texas. The answer was something like 40 feet by 50 feet—not much of a spread but nevertheless surprisingly large quarters for 3 billion guests.

In view of the continuing growth of America's cities, perhaps it is time to put that question another way. Has any one of us ever driven through the countryside or traveled by airplane over our vast farmlands, forests, and mountains without thinking back to the crowded metropolitan areas with their teeming populations clustered in tenements, apartments, and mini-yards? And with not enough jobs and not enough playgrounds.

Yet with all this unseemly, unhealthy, and unrealistic crowding in our urban areas, the endless surge continues with each passing hour. Meanwhile, back at the ranch and over the hills and into the trees, there is room for everyone. Within 2 short months there will be some 200 million souls living in this country, and in continental United States alone there is enough land space to provide 9½ acres for every one of those men, women, and children. Unfortunately, unless sensible long-range planning is developed to encourage a reversal, the trend will endure indefinitely and we will have more people, more poverty, and more problems in the cities of America.

From 1950 through 1960, while the urban population of this country grew from 150 million to 179 million, the rural population actually declined—from 54,230,000 to 54,054,000. During this period the number of recipients of public assistance, according to figures published in the 1967 pocket data book prepared in the Statistical Reports Section of the Department of Commerce, rose from 5,613,000 to 6,340,000. For 1965, the number was 7,843,000.

The publication does not list a breakdown of rural and urban public assistance figures, but it is common knowledge that the major troubles lie in our cities. Unemployment plagues most large cities, and slum clearance is not keeping apace with slum creation.

Secretary of Agriculture Freeman is quoted in the Washington Star of September 10 as saying that pressures on the cities were generated by a mass exodus from the countryside that has "literally forced 20 million rural people into our urban areas since 1950."

No one has been forced into our cities, Mr. Speaker. Economic conditions may have persuaded an endless number of families to retreat from their country homes, but proper planning on the part of the Federal Government would dissuade them from following the mirage that leads to distress and despair. Oases that come out of proper planning should long since have been provided far away from the stench of overpopulated cities.

In failing to take steps to discourage migrant families from retaining residence in rural areas, the Federal Government has in effect invited into large cities many hundreds of thousands of persons not in any way trained for the types of employment available in the economy and society of those cities. In consequence, many of the unfortunate who made the move are being subsidized by this same Government in areas of high rent and high prices; in smaller communities their stipends would go much further and their children would have less chance of falling into the caldrons of crime and immorality that have come to be associated with crowded city life.

I submit, Mr. Speaker, that the costs of the Nation's welfare and poverty programs can be reduced drastically if the administration will make a forthright effort to redirect the movement that is filling our cities with indigents at a time when useful rural land could be sown with economic opportunity to provide the environment that produces healthy, happy, law-abiding, useful citizens. Industry must be invited into our rural areas, with tax incentives where necessary and Government contracts where possible. With proper educational aid and job training, a vast number of those now dependent upon the dole will be able to look to the future with hope and a new dignity that is being denied them so long as they are captives of city slums.

The Nation has proceeded too long and too far down the road that has crammed seven-tenths of the people into one percent of the land, that has made public welfare a way of life for too many citizens who are able to work but denied the opportunity because of unwise relocation. In this regard, Mr. Speaker, I should like to insert in the RECORD an editorial from the Oil City-Franklin-Clarion, Pa., Derrick. It follows:

A TEMPORARY PROGRAM?

Back in 1935, President Franklin D. Roosevelt said: "The federal government must and shall quit this business of relief. . . . Continued dependence upon relief induces a spiritual and moral disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

Today, with over 8 million receiving payments, this "business of relief" has become almost a profession on the part of many receiving it. Some of the recipients are beginning to make demands like other pressure groups. Some, we suspect, are making public welfare a way of life.

It's appropriate to recall that relief rolls today are higher than in the great depression. Which leads us to ask: If they are in the million during "boom" times, what would they be in another depression?

And if President Roosevelt were alive today we wonder what he would think about the status of relief which, according to him, was launched as a "temporary" program to help people until they could get back to work?

STEAMFITTER INQUIRY BREWS MURDER

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, a key figure in the St. Louis steamfitter union "inquiry" has been murdered, according to a story in the October 17 issue of the St. Louis Globe-Democrat. Members will recall that after months of delay the Department of Justice agreed to my suggestion, that an investigation was merited by alleged violations of the Federal Corrupt Practices Act.

My request was based partly on the fact that no reports required by this act had been filed to reflect substantial political contributions by this union including a $50,000 contribution to the Lyndon Johnson campaign in 1964. The

political intrigue was compounded by the Presidential pardon accorded head steamfitter Lawrence Callanan who had been serving a Federal sentence for racketeering.

The murder victim was identified by the Globe-Democrat as John O'Connell Hough, a St. Louis attorney with steamfitter connections and a previous witness on at least three occasions before a grand jury proceeding in South Bend, Ind. I do not know at this point how the death of Hough will affect the course of the grand jury proceeding in St. Louis, but it becomes more and more obvious that wherever the trail leads, a determined effort is being made by ruthless men to block it. The article follows:

KEY FIGURE IN STEAMFITTER INQUIRY BELIEVED MURDERED—BODY TENTATIVELY IDENTIFIED AS HOUGH'S FOUND IN MIAMI, FLA.

(By Al Delugach and Denny Walsh)

An apparent murder victim in Miami, Fla., was tentatively identified Monday by investigators as Clayton attorney John O'Connell Hough, The Globe-Democrat learned. Hough, 53, is a key figure in a federal inquiry into St. Louis Steamfitter Union pension insurance dealings.

The body of a man beaten and shot several times was found by two fishermen Sunday under a rubbish pile in a remote spot not far from a hotel where police were told he disappeared Aug. 12.

A missing persons report was given authorities Aug. 13 by a woman friend. She was quoted as saying Hough left a hotel in the Bal Harbour area just north of Miami Beach the previous day to meet two associates at the airport on a plane scheduled to arrive from St. Louis. As far as authorities know, it was the last time Hough was seen alive.

The condition of the body indicated the victim had been dead at least four weeks and probably longer.

Tentative identification, The Globe-Democrat was informed, was made from hair and clothing. A detailed description of Hough's clothing when last seen had been given authorities.

According to the description, Hough wore brown slacks, brown shoes, a yellow sport coat, light yellow shirt, brown tie and straw hat with a wide band.

The Dade County sheriff's office said Monday that, according to its policy, it could not release any information on the dead man's identity until positive identificaton could be made. It was learned that efforts were being made to obtain fingerprint samples and dental records for comparison.

Hough, a longtime associate of St. Louis Steamfitter Union officials, has had business ventures in the Dominican Republic for several years and was occasionally in Miami in connection with them.

STOCK BONANZA

In January, 1966, The Globe-Democrat revealed that Hough was one of several St. Louisans on record as having received a stock bonanza worth several hundred thousand dollars from First United Life Insurance Co. of Gary, Ind., in connection with sale of insurance to the steamfitter pension fund here.

Hough has been a witness three times since February, 1966, before a federal grand jury in South Bend, Ind.

Under direction of U.S. Justice Department criminal division attorneys, the grand jury has been seeking to learn if federal kickback laws were violated in the 1963 deal between the steamfitters and First United.

As revealed more than a year ago by The Globe-Democrat, Hough evidently had not filed federal income tax returns for several years past.

REPORTED MISSING

It is known that the Internal Revenue Service had built a promising tax evasion case against Hough, which conceivably could have been used to encourage his cooperation with the government in the pension insurance inquiry.

It was learned Monday that the Justice Department had known previously of the missing persons report on Hough. However, since he had been difficult to locate previously, federal authorities were not conducting an intensive search for him—just "looking for him in a casual way."

Hough, who lived in a palatial residence overlooking the Missouri River on Old Jamestown road near Florissant, had maintained offices in Clayton, both for law practice and for a now-defunct insurance agency representing First United.

Dade County authorities said the body was found at 9:55 a.m. Sunday in an uninhabited area west of Collins avenue and 172nd street. It was about five blocks from a motel area known as Sunny Isle Strip.

NO WEAPON FOUND

A spokesman said the fishermen were poking around in a rubbish pile alongside the Intercoastal-Waterway when they discovered the body. No weapon was found, he said. The immediate area is uninhabited.

The medical examiner was quoted as saying death was from several gunshot wounds from a large-caliber weapon. The sheriff's office confirmed that the missing person report on Hough was being investigated, but did not go into detail.

It was learned from other sources that Hough was reported to have left the Ivanhoe Hotel, 10175 Collins, and was to return for dinner at 6 p.m.

The woman friend—who is from St. Louis—identified herself falsely as "Mrs. Hough" when making the missing persons report to Bal Harbour police, The Globe-Democrat was told.

The woman, whose true identity was subsequently learned, remained in the Miami Beach area until Aug. 20, when she presumably returned to St. Louis, authorities said.

HEAVY GUARD

Two government witnesses have been under heavy security guard by federal marshals during past appearances before the South Bend grand jury. One of the witnesses from Miami had told officials he once was told if he did not keep his mouth shut he was a "dead man."

They had said they were involved with Hough in negotiations with the Indiana insurance firm in 1963 on a scheme involving sale of millions of dollars worth of insurance to Steamfitter Local 562's pension fund.

Hough who had handled large numbers of workmen's compensation cases for steamfitter members in past years, was city attorney for Florissant during the 1960–63 administration of then Mayor Henry Koch, a close steamfitter ally.

Frederick Ackerman, one of the government's witnesses, previously was quoted in The Globe-Democrat as having said he was present when the head of the Florissant City Council, Hugh Gorham, and the assistant police chief, Bernard Callanan, discussed "opening up" Florissant for gambling with Chicago hoodlums in 1963. Ackerman said the subject later was discussed with Hough.

Gorham is serving a federal prison term on conviction of perjury before the South Bend federal grand jury.

VIETNAM

Mr. GOODLING. 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 Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Speaker, I applaud the recent announcement by Australia and New Zealand that they will increase their forces in Vietnam, for this is in tune with the recommendation I made to the House of Representatives on September 14, stating:

> The time has come to stop the increasing drain of American lives and national strength into South Vietnam by insisting that those in this area increase their effort.

Under the terms of the recent announcement Australia's present force of 6,300 servicemen in Vietnam would be raised to more than 8,000, the new units include a battalion group with helicopter support.

New Zealand will send a second company of infantry to Vietnam—the 170 infantrymen will join 376 New Zealand troops already there.

It is encouraging, also, to note that Narcisco Ramos, foreign secretary of the Philippines indicated a few days ago that the allies of the United States in Vietnam should seriously consider sending more troops. Presently the Philippine Government has a 2,000-man civic action unit in Vietnam, and this statement by Ramos gives us hope that more Philippine manpower—either military or civilian—will be assigned in this area.

Other countries with troops in the fighting area are Thailand and South Korea, and these forces should be expanded where possible.

The time has come when we should give serious thought to consolidating those gains we have made in Vietnam. Undoubtedly we have blunted the blade of communism in Southeast Asia. We have given Asians and others throughout the world cause to ponder that communism is not a desirable way of life for the future and that aggression always bears the bitter fruit of failure.

A major part of this task is for the United States to develop policies that will help the free Asian countries in the organization of peaceful and well-ordered societies. We must increasingly give thought to helping free Asians help themselves, and this can best be accomplished by methodically phasing Asians in and Americans out of the military and other operations in South Vietnam.

We must stand ready to help in this transition, for much remains to be done on the domestic front in South Vietnam, aside and apart from military operations.

Right now there are many Vietnamese roaming the rice paddies, displaced by the ravages of war. Every effort must be made to help these individuals reestablish themselves in their society, rather than to let them wander across the land, unbelonging and unproductive.

There are many civilians in this area who are in desperate need of medical attention, and our efforts should be accelerated in supplying skills and medicines for the afflicted. American doctors and health specialists increasingly should give attention to contributing their services in this area. In this I proudly refer to Dr. Robert Davis, of Boiling Spring,

Pa., a resident of my congressional district who has already given freely of his medical skills through two volunteer tours to the Province of Tay Ninh in Vietnam.

Inflation is rampant in the economy of South Vietnam as it is here. Efforts should be initiated to introduce a note of stability. American economists and marketing specialists can contribute very valuable advice and services toward the end of bringing about a balanced economy and, in the process, provide some valuable economic lessons for those who handle the economy in South Vietnam.

If we persist in helping free Asians run their own show, the future will be secure for freedom in this area.

And another very important aspect would be this: The sacrifice of American lives and materials in this area will not have been in vain, for aggression will have been thwarted, and free people will have a free choice on their own way of life.

NEED FOR FEDERAL ATHLETIC COMMISSION

Mr. NIX. 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 Pennsylvania?

There was no objection.

Mr. NIX. Mr. Speaker, in recent years there has been increasing congressional interest in the national problems created by the great and growing power of groups involved in organized sports. This power has resulted from the tremendous American enthusiasm for organized sports of all kinds, particularly baseball, football, basketball, boxing, and racing. The spectator appeal of these and other sports has meant television and other media contracts with professional sports organizations worth many millions of dollars. In several cases it has caused intense competition between cities for team franchises, which in major sports are now worth millions of dollars.

As organized sports have grown, there has been a dramatic change in the character of athletic contests, with the local aspects of these contests decreasing in importance, and the national impact becoming greater. Thus, it was estimated that 40 million persons would watch the Red Sox-Cardinals series on television; but Fenway Park in Boston accommodates only 35,000 fans. Each autumn Sunday 20 to 30 million enthusiasts watch professional football games on television; only 55,000 can personally watch the Redskins play at District of Columbia Stadium.

Not only do most Americans watch organized sports over interstate television transmissions rather than in person at the stadium, but in most sports a large portion of the financial return from any contest is derived from sale of television, radio, or closed circuit television rights. In some sports, such as boxing, the gate receipts from any major event are a very small portion of the total receipts. For example, the second Patterson-Johannson fight had a reported gross of around $2,825,000; of this total, it is reported that over $2,000,000 came from theater television receipts. These figures merely bolster what in my judgment is an obvious conclusion: that organized sports depend very heavily upon the use of interstate facilities for their spectator appeal and for their financial success.

The recognition of this dependence upon the use of interstate facilities has caused numerous legislative proposals to render one or another aspect of organized sports amenable to Federal regulation. Many bills have been suggested which would have clarified the status of certain sports under the antitrust laws. In addition, the Members will recall that in the 89th Congress the House passed a bill which would, if it had become public law, established a Federal Boxing Commission.

This Federal agency would have been granted broad authority over professional boxing, including licensing, investigatory, and disclosure authority, the power to review contracts entered into between boxers, managers, and promoters, and also the power to prohibit the broadcasting or other interstate dissemination of contests in some circumstances.

This long and varied congressional interest in the regulation of organized sports has, in my judgment, resulted from two primary causes. First, as discussed above, it is now obvious that many aspects of sports are interstate activities, and have a substantial impact on interstate commerce. Second, it is equally obvious that the existing regulation of organized sports conducted by the 50 States is inadequate in some cases. Many States have rules respecting the conduct of sports which are less carefully drawn or less energetically enforced than is necessary for the protection of the public and the athletes. In addition, some elements involved in organized sports have become too powerful and too geographically dispersed to be regulated effectively by the States. Thus, private groups with great financial power can act in an environment in which they are accountable to no one for the way they exercise this power. They may act without restraint to affect directly the livelihood of the athletes; they may be able to dictate the terms upon which the athletes participate in the sport and even the terms upon which the sport is conducted. In some instances, it is probable that the combined appeal of this unregulated power and potential profit has attracted unsavory elements into organized sports.

As just one example of how a sports organization can act to affect the reputation and livelihood of an athlete, let me recall to the Members the recent controversy over the refusal of Muhammed Ali to be inducted into the Armed Forces, and the response to his refusal by the World Boxing Association. Let me be very clear before I proceed: The merits of Muhammed Ali's case are irrelevant to my discussion, and I do not intend my comments as any kind of judgment on these merits. What is important to my discussion is that within hours after Muhammed Ali refused to take the Armed Forces induction oath, the World Boxing Association stripped him of his heavyweight champion's crown. This action was taken by the World Boxing Association before any indictment had been returned against Muhammed Ali for his refusal to take the induction oath, and before he had been convicted of any crime for refusing to take this oath. The World Boxing Association by its action arrogated to itself the function of judge and jury of a cause which was not yet a case.

What were the consequences of this action? Leaving aside the personal humiliation it may have caused, it virtually destroyed Muhammed Ali's ability and right to pursue his chosen livelihood. This appears to me rather shabby treatment of a man who had earned the right to fight as heavyweight champion of the world. But whatever judgment one has of Muhammed Ali and the consequences which his actions merit, it does seem to me that this episode dramatically demonstrates two things: First, that actions of groups involved in organized sports can directly affect important rights of the athletes who participate in these sports, and second, that these groups can act in an atmosphere where their actions often are not subject to effective and responsible regulation.

Mr. Speaker, because of my conclusion that some aspects of professional sports should be subject to uniform and effective regulation, I intend soon to introduce legislation to create a Federal Athletic Commission. In the declaration of policy, it will be recited that the purpose of the bill is to create a Federal administrative agency which, in cooperation with appropriate State authorities, will be able to supply uniform regulation of organized sports where the public interest requires such regulation, but which will not impose regulation where none is needed.

The Commission proposed in this bill consists of five members, appointed by the President, serving a 5-year term. This Commission will be empowered to conduct investigations when it is determined that a question exists as to whether regulation of some aspect of any given sport is in the public interest. If the investigation indicates that some regulation is in the public interest, the Commission would be authorized to undertake such regulation to the extent of licensing participants and officials, prescribing minimum safety standards and minimum qualifications for officials, and publicly disclosing any information about the sport which is deemed to be in the public interest. The Commission would also be granted the power to enforce in appropriate ways the regulations which it issues. Lastly, the Commission would be required by the end of each calendar year to report to the President and the Congress on its activities, and is directed to include in its report such recommendations for legislative or other action as it deems appropriate.

It is my hope that the committee to which this bill is referred will hold early hearings on it. In my judgment, such hearings would establish beyond question that the national interest requires creation of a Federal commission to supply whatever regulation is needed in organized sports. Only a Federal agency can insure uniform regulation where

needed in an industry which affects interstate commerce in such substantial ways, and which has spawned private groups with such great and unregulated power.

Mr. Speaker, I hope that no one attributes my interest in promoting the responsibility of groups involved in organized sports to any "antisports" animus on my part. Every society we know of enjoyed athletic contests, and our Nation is no exception. In addition to providing relaxation to millions of Americans, organized sports are the vehicle for many young men from poor backgrounds to get a college education. The sports pages of the newspapers are to most Americans welcome diversion from the confusing and uncertain news in the rest of the paper. And of course, no one could accurately determine the national value to our young people of a hero like Bob Gibson or Carl Yastrzemski.

In conclusion, it is my hope that the introduction of this legislation will promote thoughtful study of the status and activities of organized sports. I believe that establishing a Federal Athletic Commission is a necessary step toward insuring that organized sports continue to hold an honored place in our society.

IS COMPETITION DEAD?

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

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

There was no objection.

Mr. HICKS. Mr. Speaker, here in the House we have watched a determined power company pressure group endanger New England's first Federal hydroelectric project—the Dickey-Lincoln School project in Maine.

A lot of arguments have been advanced against the project: it is less economic than nuclear power; it will kill the coal industry; its power will go begging. I reject these, Mr. Speaker, as efforts to obscure the real issues.

Consumers in the Northeast pay high electric rates; New England's industry is at an economic disadvantage; New England has suffered at least one major blackout and numerous smaller ones; its power system is not the most profitable in the Nation, despite high rates.

Utilities in the area have not yet got the message sent out by the Tennessee Valley Authority and the Bonneville Power Administration: keep rates low and increase the use of electricity by each consumer—then unit costs will go down and a prosperous cycle of low rates and high use will become established, to the benefit of all.

In the Northwest, Mr. Speaker, we take tne view that electricity must be abundant, low in cost, available to all, for our industrial health and for our domestic comfort. Competition between the privately and publicly owned distributing utilities has benefited consumers and the utilities themselves.

Compare the economic strength of the New England utilities and those of the Northwest and I am sure you will find more vitality in the public and private systems of the Northwest.

The House will have an opportunity to vote again on the $1,676,000 appropriation for advanced engineering and design of the Dickey project. I hope that through this project we can open up to New England consumers and industry the prospect of a modern, integrated power system. And I hope we can jog the private utilities with competition. By this route, I believe, they may be persuaded to do what many other utilities are doing in their own self-interest—to adopt the mass-production philosophy of low cost and high use.

ADDRESS BY THE HONORABLE HOWARD W. POLLOCK OF ALASKA BEFORE THE CONGRESSIONAL PRAYER GROUP

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

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

There was no objection.

Mr. DON H. CLAUSEN. Mr. Speaker, my good friend and distinguished colleague from Alaska [Mr. POLLOCK] addressed our traditional Thursday morning Congressional Prayer Breakfast Group here in the Capitol.

Because of the timeliness of his remarks and the highly enthusiastic manner in which his address was received, it is my belief that other Members may be interested in what he had to say. Having recently visited Alaska as the ranking Republican on the House Flood Control Subcommittee, I can certainly testify to the extraordinary compassion displayed by this dynamic and dedicated Congressman from Alaska. This great and forward-looking speech presented to a large gathering of our colleagues has drawn praise for its content from the Democratic and Republican Members in attendance.

Its depth of thought makes it worthwhile reading for every Member of Congress. Therefore, I submit the speech in full to record it permanently in our history-making CONGRESSIONAL RECORD:

ADDRESS BY THE HONORABLE HOWARD W. POLLOCK, CONGRESSMAN FOR ALASKA, BEFORE THE CONGRESSIONAL PRAYER BREAKFAST GROUP, U.S. CAPITOL, WASHINGTON, D.C., OCTOBER 12, 1967

Mister Chairman, my dear colleagues, and friends, this is a singular and cherished privilege and sincere honor for me to address this very unique group of my distinguished colleagues who regularly attend and participate in the weekly prayer breakfast of the U.S. House of Representatives. It was my privilege in Anchorage, Alaska, to regularly attend and participate in the weekly prayer breakfast which a group of us initiated some 4 years or more ago; and, I had heard of the congressional prayer breakfast group and the annual presidential prayer breakfast long before I came to the Congress. May I candidly tell you that among the joys I experienced in being elected to the United States Congress, no prospect was more exciting than that of joining you regularly at this weekly prayer breakfast. I honestly feel so humble among you and so very fortunate to be privileged each week to share this important time and experience with you.

Several months ago in Gastonia, North Carolina, the true ecumenical spirit prevailed. At a Jaycee award banquet, I was a Catholic Republican guest speaker in a Protestant church where a Jewish Democrat was honored as the "Young Man of the Year."

In the brief portion of your very busy day which has been allotted to me to address you in these next few moments, it seems singularly appropriate that we might together devote our attentions seriously to the topic of religion in our national life. We are beset with a problem before we even begin. Here in America, we have been so long cloaked in the warm robe of freedom and in the radiance of God's warmth and love—and in turn, America has so smiled on Christianity, that it is very easy for our faith to be lulled into forgetting the real difficulties, the sacrifices, that true Christianity demands.

If we who are "red-blooded all Americans" confuse Christianity and Americanism, then we do a disservice to and lose the true meaning of "the Word of God," the message that is truly universal. If we are to be thoughtful in our faith, we must look at the message of that faith and ask what it means to be a Christian. What sets us apart from men with other gods or no god?

We certainly always seek to be loyal and dedicated Americans: however, if we are also to proclaim a faith in Jesus Christ, we must realize that something more, something vastly more challenging, is asked of us. For this man, Jesus, did not prescribe a form of government or even a particular mode of life: he taught a basis on which to found all of life and all of the relationship among all men.

In a Nation which so thoroughly acknowledges and even supports our religious way of life, it is difficult to see what that religion really means. Our several forms of worship are so integrated into "the American way" that our view of the faith is often obscured by the patriotic and cultural accretions which become involved. A friend tells me that in her church the doxology and a stanza from "America" are sung as one song with scarcely a breath in between.

We are indeed fortunate to live in a Nation where our faith in God and our loyalty to country are completely compatible. This is not so in some of the countries behind the iron or bamboo curtains. But this compatibility of faith in God and loyalty to country is a mixed blessing if we forget that they are *compatible* and not *synonymous*—lest we follow one and thoughtlessly assume we are also serving the other. As the sun and an orchard: the first gives life and sustenance to the second, and the second bears fruit glorifying the first. Each is blessed by the other—But they are not the same. Although our Nation was conceived in accordance with our faith, neither has a monopoly over the other. We must never in arrogance claim that our democracy and our way of life have a unique claim on God or on his truth. We must clearly recognize that Christianity is much larger. We must clear our vision to recognize that the essence of man's faith transcends the forms of government around us.

Our course, all this is not to destroy the ties between God and country: It is to discover, separate and apart from all other considerations, just what it means to call oneself a Christian. It is to remember that it is so easy in America to forget—that to be a Christian is necessarily oftentimes to be courageously different.

Perhaps the mark of a Christian is that he is willing to love uphill, to love past the point where loving is easy, past the point where love is humanly rewarding, past the standard, outward forms or religious life. Christ's life is the beautiful, Lucid example of the imperative of uphill love.

In this ecumenical gathering it is easy to see that the active force in our world is not that which separates Christians from one another, but it is that love and fellowship

which is the point, the focus of Christian unity. Our religious variety is a means of strengthening the essence in our lives. What must remain foremost is a faith in the power of love.

The world that we encounter today is weary with strife between groups of people. All too many are convinced that this great Nation stares into the face of decay and dissolution. Our very foundations are threatened, and we face the perilous danger of a nation unable to breach the gaps between groups of people with vastly different orientations. In my humble opinion, the leadership of the country has too often ignored the deep causes of the problems which confront us, and now many alienated groups, especially among our youth, see no more cause to support their leaders or to conform to established ethical precepts. Too frequently those who lead public thought have promoted an intellectual discourse which uses as its premise "Old standards are no longer relevant to our time. Throw out the old standards." And far too many unquestioning youth have wandered into a limbo that objects to and denies the restraints of the old standards without understanding the basis and the values from which they grew.

This is a strange time in America, when the great question that seeks solution in the conversations of people of all ages and backgrounds is this: "What does it all mean? What is the purpose of it all?" We are in a time of flux, a time of searching, a time when the search alienates large segments of the population from the established leadership that seeks to represent them. We search for the truth, but find it increasingly hard to find. I feel that you will clearly understand when I say that we often think one way in quiet moments, then act another under the pressures of our tasks and our times. For us, as believing Christians, the question of our responsibility and of our guilt is much more difficult and painful than it is for those who only move on the secular, or the economical or the political, or the cultural level.

We are caught in a moment of history so explosive, so potentially devastating, that few deny it is a precarious era. We feel weakness and experience anxiety about ourselves and about the whole world when we meet and start to think over our tasks on the debris of an old era and at the trembling foundations of new construction. We feel weakness when we set our vision upon the daily misery and the overhanging threats of our world. Our theological vision is not sufficiently penetrating: Our faith is without muscle: Our hearts do not beat with the joyous certainty of the wisdom of our generation—with the word of God. By our very life we have denied the potency of that joy.

The question that we now face is the role of the Christian leader. He is asked by his Lord to love all. Yet, he finds the world tortured by many whose philosophies and actions he cannot possibly condone. Perhaps it is particularly the youth who seem to disregard the standards and the values that uphold the structures of peace (although I am not sure this is so). And at the same time, those very youth are often crying out for peace at any price, condemning those of us who chose to work within the structures for a genuine peace among men. Yet, we are constrained by the love of God not to condemn, but somehow to have the courage to attempt the much more difficult task of understanding. The Christian leader is not free to judge and suppress the misguided in an attempt to forget them. The Christian leader has the monumental task of somehow understanding, without compromising principle. Our Lord taught us that love is reconciling and understanding, not dogmatic.

Only when we have come to understand the needs of the people we have chosen to serve can we truly be of service to them. Otherwise, we may be guilty of only carrying more water to the flood while we glory in what we deem to be our business for the Lord.

Although Christianity makes severe demands upon those who would follow, it is brilliantly simple, surprisingly clear. The confusion is only the result of men and women, like us, vainly seeking to reconcile our own desires, our own image-building, our own ambition for wealth or power, with the word of God.

It is greatly humbling to realize that I have surely failed to make a great impact on any of your lives at this juncture. It is even more humbling and greatly reassuring to realize that all I have said today can be easily contained in one phrase that has had great impact on all mankind. It is with this that I leave you, for nothing could be more lucid. We are left with the challenge to make these words of Jesus Christ relevant for our lives: "He who would be the greatest among you must be the servant of all."

Forgive me the length of this discourse. However, I cannot refrain in closing from sharing with you the impact of one short poem and one piece of prose that have been deeply meaningful to me in my life. The first was given to me by an inmate in San Quentin prison many years ago when we worked together developing an artificial hand. It reads as follows:

"I shall pass through this world but once; any good therefore that I can do, or any kindness that I can show to any human being, let me do it now. Let me not defer it nor neglect it, for I shall not pass this way again."

The meaningful poem which I desire to share with you is this:

"It is my joy in life to find
At every turning of the road,
The strong arm of a comrade kind
To help me onward with my load.
And since I have no gold to give,
And love alone must make amends,
My only prayer is while I live,
God make me worthy of my friends."

God love and keep you always.

THE POOR WILL SUFFER

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

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

There was no objection.

Mr. RYAN. Mr. Speaker, by adopting, when we were in the Committee of the Whole, the Broyhill of Virginia amendment, 167 to 132, without any debate being permitted and without any way to obtain a record vote under the rules, the House has again turned its back on the poor of this Nation and on the cities of America, proving once more that the poor are not only fighting the war in Vietnam but also are paying for it.

This action also reflects the continued indifference on the part of so many of our colleagues to the urban crisis.

Apparently it is open season, Mr. Speaker, on the antipoverty program and on the Office of Economic Opportunity. We saw this in the amendment to the Juvenile Delinquency Prevention and Control Act. We saw this last week when the OEO was deliberately singled out for exclusion from the pay increase.

Now today the Broyhill of Virginia amendment will reduce the program to a rate that would be provided by an appropriation of $1.2 billion. This will gut the poverty program. The effect of its impact will be felt in every city in the country and also in the rural areas.

I might point out, Mr. Speaker, under House Joint Resolution 888 as submitted by the committee originally, the $1.4 billion rate, there would have been a minimum cut of 20 percent in all community action programs. There would have been no summer programs. In the neighborhood health program, there would have been a cut of 42 percent. The Headstart, the Follow-through program would have been drastically reduced, and there would have been an 18 percent reduction in the full year-round Headstart program.

With this further reduction in the antipoverty program, Mr. Speaker, it is clear that the poor people of this country are going to suffer even more drastically.

KELLEY FLATS AIRPORT

Mr. OLSEN. 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 Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, yesterday the House of Representatives witnessed a magnificently irresponsible—yet successful—effort in behalf of "false economy."

When I returned to Washington late last evening after spending 4 days on official leave of absence working to achieve a solution to the copper industry labor dispute in my State, I was flabbergasted to learn of the House action, spearheaded by our distinguished colleague from Iowa, to refuse authorization of a small airport which is so vital to the overall construction of Libby Dam.

Equipment and materials must be transported to the construction site. This is a simple fact. I have been assured by the Corps of Engineers that if this airport facility were not constructed the tools and materials would have to be flown to Kalispell and the resulting delay and surface transportation costs would more than offset the cost of the airport. To eliminate this facility would not be economy—it would be folly. Perhaps next we will hear a motion to replace bulldozers with shovels or to refuse the use of concrete in the construction of the dam.

But none of this is really central to this situation, because an airport will be constructed. Mind you, this was not an appropriations measure; it was an amendment added to the Senate version of this bill to authorize the expenditure of funds which have already been appropriated for a temporary airport for construction of a permanent airport which could continue to serve the area after the dam is completed. The Corps of Engineers has set aside $132,000 for construction of the temporary facility which, they know from experience, is an absolute necessity in this project.

In the only real economy move in this entire episode, my colleague, the distinguished majority leader of the Senate, Senator MIKE MANSFIELD, introduced an amendment in the Senate version of the Department of Transportation appropri-

ation bill authorizing the Corps of Engineers to expend funds—funds already appropriated and included in the Libby Dam project—for construction of an airport on a site which could continue to be used in future years rather than on a site which would eventually be flooded and useless.

The real waste was the waste of the time of the House by the ax-stroke approach to Government economy which now seems to be in vogue and the eventual waste of funds if the Corps of Engineers is forced to construct a temporary airport which will be flooded and useless in just a few years. A cursory examination of the facts in this matter could have eliminated this waste.

Throughout the West men of vision are doing their best to implement projects which will conserve our natural resources—projects to protect against devastating floods; to provide for irrigation and to make the best use of our water supply. In dollars and cents many of these projects appear to be expensive, but in the long run our experience has indicated that the benefits received and the protection provided against natural disasters will repay our citizens again and again for their investment.

Vision is needed today more than ever before—vision which will eliminate the threat of emergency appropriations in future years—emergency appropriations such as the $5½ million needed in our economy-minded colleague's home State of Iowa to repair flood damage in 1965. Surely I would support my colleague from Iowa or any other Member of this body in any project to provide flood control and guard against future threats to our Nation's economy in the form of huge, emergency disaster appropriations. We all know that a good insurance policy is good economy.

Mr. Speaker, I include the following project description of the proposed Kelley Flats Airport in the RECORD at this point:

PROJECT DESCRIPTION OF KELLEY FLATS AIRPORT

Libby Dam and Reservoir, a multiple-purpose project planned on the Kootenai River in northwestern Montana, is a key element of the comprehensive plan for development of the Columbia River Basin in the interest of flood control, power generation, recreation and related water uses. The estimated cost of this development is $377,000,000 with a benefit-cost ratio 1.6 to 1. The construction schedule is scheduled to meet the requirements of the Canada-United States Columbia River Treaty which requires full storage operations within seven years after start of the construction.

The transportation net in the Kootenai River and Fisher River Valleys is marginal at best. The only air facility of value in the area is located at Kalispell, Montana, which is connected to Libby by about 100 miles of secondary roads over mountainous terrain. The nearest city served by scheduled airlines is Spokane, Washington, which is approximately 150 miles by a secondary road network.

At all large isolated projects of this type, the Corps of Engineers usually constructs temporary, unsurfaced, minimal air strips in the vicinity of the Dam site to assist management control, expedite survey and inspection operations and for limited supply depot operations. These strips are without lights and control facilities and are not operational in bad weather and do not contain the air management safety repair facilities of FAA type airfields. Such a landing strip at Libby project would cost $132,300.

The Government can justify such an expenditure on the bases of savings of transportation to the Government employees and contractors on the project. This expenditure would provide the minimal strip which could be enlarged by participation with FAA and the Libby-Lincoln County Airport Board to provide a much larger landing field built to FAA specification in the vicinity of Kelley Flats. The larger landing field will result in additional direct savings to the Federal Government and will provide a permanent airport instead of one which will be abandoned in 7 to 10 years. The larger field will not cost the Corps of Engineers any more money than will be spent without the Kelley Flats FAA Project. The current estimate cost of the larger landing field is $335,550; FAA would contribute 0.53% of the bid amount which based on this estimate is $177,940; the Corps of Engineers participation would be $132,300 leaving $25,000, to be supplied by Libby-Lincoln County Board. The Montana Aeronautics Commission has agreed to furnish up to $32,000 and their funds will be available in February 1968.

Many specific benefits will accrue to the Government.

1. Maintenance of the strip will be responsibility of local interests.

2. Government will receive free use of facility for life of project—100 years.

3. The increased airstrip capacity will provide a local facility capable of:

a. Landing supply aircraft with equipment, maintenance goods and large volumes of critical supplies.

b. Providing a facility from which dependable scheduled air service can be provided thereby greatly reducing the charter costs and ground transportation costs for the 100 contractors and the Government agencies involved. This service alone would pay for the project.

c. Providing a reliable air medical evacuation facility which will reduce contractor insurance costs and Government costs.

d. Providing a basic helicopter and small aircraft center with maintenance facilities for the project area which will greatly reduce costs of air rental services presently provided from Spokane and Kalispell.

These basic cost reduction features will reduce direct Government costs well in excess of the $310,000 FAA and Corps of Engineers estimated costs. In addition, each of the 100 contractors will be able to reduce his bid costs on Government contracts because of the reduced air freight costs, air lease costs, insurance costs, ground transportation costs, maintenance parts inventory costs, and improved management time.

I feel I need not elaborate on the host of service enterprises, subcontractors, salesmen, transporters, equipment installations, testing and maintenance personnel and secondary industries which will use this facility during the construction phase and after the project is completed. The return to the Government in taxes will pay for this airfield development many times during the 100-year life of the project.

It is poor economy not to provide this authority for the Corps of Engineers to participate in the Kelly Flats Airport Project.

VACATION OF SPECIAL ORDER, AND SPECIAL ORDER GRANTED

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the 5-minute special order I have been granted for today be vacated, and further unanimous consent that I be permitted to address the House for 15 minutes today, after all other special orders and the close of all legislative business, and to revise and extend my remarks.

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

There was no objection.

REPORT FROM WASHINGTON

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] 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 Michigan?

There was no objection.

Mr. HARSHA. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report which I intend to make available to my constituents this week:

The Great Debate on Taxes, Inflation and Government-Spending has been going on for several months now and will likely continue for some time.

The Congress presently has turned deaf ears to LBJ's pleas for more taxes—telling him to slow down on spending first.

The President claims the Congress is responsible for spending and Congress claims the President is responsible. It should be made clear that the Executive Branch of the government headed by the President actually spends your tax money. True, Congress appropriates money, makes it available, grants "new obligational authority"; but the Administration actually spends the money. The President is not required to spend every cent made available to him. While the President is trying to place the blame on Congress for spending, keeping in mind that practically every time he sends a program up to the Congress for new spending authority and appropriations, he also sends his spokesmen up to lobby for them. The methods some of them employ are sometimes less than desirable. Furthermore, it is the President who requests funds from the Congress and he can hold down his requests. It is likewise true that Congress can reject or reduce these requests; and, to date, the Congress has reduced them by about $4 billion and will reduce them, in all probability, by at least another billion before the session is over. However, this solves only part of the problem. This year's budget requests by President Johnson contain pleas for new obligational authority exceeding $144 billion, and it is these new requests Congress is cutting back. But he also has available a pool of funds exceeding $125 billion, which have been previously appropriated, but are as yet unspent. Congress can't touch these funds except by putting a ceiling on federal spending or rescinding these previously appropriated funds. Therefore, in order to effectively curtail federal spending, both the new requests will have to be cut down and either a ceiling on total spending established or rescind part of the appropriations previously made.

The President argues that unless his tax increase is passed, we will have a deficit of around $30 billion and inflation. Of course, you are going to have inflation with a deficit of $30 billion—that is why it is imperative to cut spending. LBJ's tax increase would only reduce the deficit to around $23 billion; maybe, not even that low, depending upon when it is effective. But some Members of Congress feel a $23 billion deficit will create inflation also. With them, it is a matter of degree. A $23 billion deficit will create just about as much inflation as a $30 billion deficit.

Another Administration argument is that without the tax increase interest rates already high would move higher, because the Treasury would have to borrow the additional $7 billion. Thus, the government

would be competing in the financial market for money and would drive up the interest rates and make money "tight". Some Members of Congress agree with this but think the better policy would be to reduce expenditures, so it isn't necessary to borrow more money, rather than increase taxes.

Another argument is that the housing industry would suffer a special burden, a recurrence of last years depression when money was "tight". Since other investments would look more attractive, institutions providing mortgage money would be reluctant to finance houses. This is probably true if the federal government has to borrow more money and compete with private enterprise and the individual in the money market. The answer here again seems to be to cut down on spending obviating the necessity of borrowing more.

The Administration spokesmen maintain it is Congress' responsibility to tell the President where to cut. Here are some suggested areas where additional cuts may be made without affecting the necessary services for the American people.

The military budget is not sacrosanct and there are a number of areas where waste could be curtailed, such as in the practice of purchasing items by negotiated contracts rather than by competitive bidding. The following are just examples, but the overall list runs into millions of dollars; here are just a few small examples:

1. The Pentagon spent $33,398.95 for 130 knobs which had a retail value of $210.60.

2. Thirty insulated couplings were purchased by the Pentagon for $2,025, compared to the retail price of $82.50.

3. Nine construction gears retailing at a total of $30.87 actually cost the Pentagon $1,748.70.

4. The Pentagon paid $511 for 20 small rods which normally retail for a total of $10.

5. The total retail value of the knobs, small rods, insulated couplings, and construction gears was $333.97. Yet the Pentagon paid $37,683.65 of your money!

Some Members of Congress claim the "TFX" incident has cost the taxpayers untold millions of dollars.

Furthermore, there is a $14 billion carryover of "unobligated" funds in the Department of Defense. The Congress approved defense appropriations of approximately $70 billion for this fiscal year. A cut of five percent would save $3.5 billion and not affect the Vietnam effort or our national security.

Another area where additional cuts can be made is in the Public Works Appropriations Bill. Although the Congress has already cut this figure beneath the President's total request, the figure is still in excess of $4.6 billion. While Public Works projects are dear to the hearts of Members of Congress and are, in most cases, very worthwhile and economically justified. Congress cannot have its cake and eat it too. Another cut of five percent in these programs would not materially affect their completion, but would have a decidedly favorable effect upon our deficit for this year.

The Administration has requested $70 million for Highway Beautification programs this year to cover the purchase of "rock outcroppings", scenic vistas, pastoral scenes or strips of timber or interesting natural shrubs. This money is to be used outside the right-of-way area of highways. This bill has already passed the Senate and has been reported out of the Public Works Committee, on strictly party lines. It would appear that, in this year of the "great deficit", we could at least delay the expenditure of this $70 million for these unnecessary frills.

Another area where considerable savings could be practiced would be Federal employment. Federal employment has increased over a year by roughly 250 thousand employees. The average salary of a Civil Service employee is approximately $7,000 and it takes almost $2,000 annually to provide office space, supplies and equipment for the employees. The increase in employment has added $1.8 billion to the Federal payroll.

Foreign aid has gotten completely out of hand. The following information was provided by Congressman Otto E. Passman, Democrat, Chairman of the Foreign Operations Subcommittee on Appropriations. Congressman Passman says, and I quote,

"New funds requested for foreign aid, all categories, first 7 months of 1967: *9 billion, 206 million, 154 thousand dollars.* This does not include *1 billion, 400 million dollars* previously carried in mutual security now in the Defense Department appropriation. Neither does it include a request for *4 billion dollars* to pay the interest on what we have already borrowed to give away.

"Unliquidated funds on hand on June 30, 1967, from prior years' authorizations: *16 billion, 396 million, 781 thousand dollars.* If the Congress approves all new funds requested by the President this year, there will be on hand to be spent or obligated during the current fiscal year, the staggering total of *25 billion, 602 million, 935 thousand dollars.* Our country is committed to disburse funds during the current fiscal year in 100 nations and 5 territories of the world."

Obviously, a considerable cut could be made in foreign-aid programs. There is enough money in the so-called pipeline to continue this program without an additional dollar for at least two years. It would seem to many Members of Congress that it would only be fair to ask those foreign nations to tighten their belts a little and not expect so much from Uncle Sugar this year rather than to continually ask the American taxpayer to do without so that foreign governments could receive more of our largesse.

These are just some of the areas where both Congress and the Administration can reduce federal expenditures and still provide the necessary services for the people of America. And so the great debate goes on. In the few remaining weeks, there will be a great deal of maneuvering and let us hope that the American taxpayer wins this one fight at least.

LEGISLATION TO PROVIDE TAX RELIEF FOR CITY DWELLERS

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, the cost of living in the United States climbs higher and higher each day. The Bureau of Labor Statistics of the Department of Labor just recently announced[1] that the cost of living rose four-tenths of 1 percent for the month of July alone, making for the greatest increase in 9 months. This means that for the 12th month in a row, a worker's paycheck bought less than in the previous year.[2] Today, to maintain the same purchasing power as one had in 1949, if you earned $5,000 then, you would have to earn 40 percent more in 1967.[3]

Nowhere is this trend of rising costs more severe than in the great cities of this Nation.[4] It may well be that paychecks are proportionately higher[5] in those urban areas that are suffering under the strain of increasing living costs, thus offsetting somewhat the disparity that exists between the higher living costs in urban areas as opposed to the lower costs in rural areas. However, while around the country salaries have tended to adjust in an attempt to minimize this disparity, our Federal tax rates, when applied to urban area taxpayers, do not take into consideration the fact that people living in these urban areas are forced both to earn more and spend more than their rural counterparts due to the nature of their environment. The graduated personal income tax imposes an increased tax burden on these city dwellers without recognizing that these people are forced to earn more than their country cousins, merely to maintain a comparable standard of living.

Under the graduated income tax, one's tax burden increases disproportionately to the increase in one's income.[6] If a person's taxable income doubles, his taxes as computed under a graduated income tax system are substantially more than double, and sometimes triple. Thus, merely for purposes of illustration, let us consider the case of the city dweller who may be forced to earn twice as much as one living in a rural area just to achieve the same standard of living. Although he is now earning twice as much, with graduated income taxes his taxes would not increase proportionately, but rather would more than double.[7]

Even without the graduated income tax feature, they have to run faster to maintain merely the same position, with the result that a higher tax bite on higher income means belt tightening. To use a simple illustration, a single person, in a small town, earning $2,000 at the bottom of the 20-percent bracket would pay $182, according to the tax computation chart.[8] At the top of the 20-percent bracket, earning $4,000 and without any graduated feature, the tax would be $545.[9] Yet that $4,000 per year would hardly suffice to maintain an equal standard of living in New York City, but still the Federal Government takes its bite in a far greater amount.

A statistical survey of consumer expenditures conducted by the Bureau of Labor Statistics of the Department of Labor, documents the assertion that residents of urban areas tend to spend considerably more for the same basic living expenses incurred by rural residents.[10] Due to the unique characteristics of city life, the urbanite must spend 9 percent more than the rural person to run his household, 70 percent more for shoe repairs, 31 percent more for the dry cleaning and pressing of his clothes, 27 percent more for the general upkeep of his

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[1] U.S. Department of Labor Release, August 25, 1967.

[2] AFL–CIO News, Sept. 2, 1967, p. 3, col. 1.

[3] Educational Services Division of the National Consumer Finance Ass'n, Aug., Finance Facts (1967).

[4] U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, March 1967.

[5] U.S. Department of Labor, Bureau of Labor Statistics Survey of Consumer Expenditures 1960–61, Consumer Expenditures and Income, Detail of Expenditures and Income Supp. 3—part A to BLS Report No. 237–93, at 114–127 (May 1966).

[6] Int. Rev. Code of 1954, § 1.

[7] *Ibid.*

[8] Int. Rev. Code of 1954, § 3.

[9] *Ibid.*

[10] Survey of Consumer Expenditures 1960–61 supra note 5.

clothing, and 9 percent more for telephone services.[11]

The personal taxes of those people living in cities average about 12 percent higher than those living away from the cities.[12] As in 1965, per capita State and local tax burdens increased in every State and the District of Columbia, ranging downward from a high of $410 in New York.[13] According to the Census Bureau, city taxes throughout the United States during the period from 1965 to 1966 amounted to $84 per person, up from $80 per person 1 year earlier.[14] In 1966, the taxes levied by the city of New York on its residents had increased by 34 percent from its 1962 level.[15] In Los Angeles the increase for the same period was 25.5 percent, and in Detroit 25.4 percent.[16] The average increase in local taxes for all cities with a population of more than 1 million was 29.5 percent. On the other hand, the average increase for cities with a population of between 100,000 and 1 million was about 21 percent during the period of 1962 to 1966.[17]

There are some expenses that are especially severe only in large cities. An example of this is the high taxes one finds in New York City, which are the result of increasing urban problems in the field of welfare, housing, education, and health, that are not necessarily caused by New York City, New York City apartment dwellers in non-rent-controlled new buildings are suffering under rent increases of 20 percent and more. Detroit's residents are being saddled with price increases ranging from the price of haircuts to milk. People in Chicago are complaining about cigarettes, rent, food, and transportation cost increases. Residents of Los Angeles are faced with increased sales taxes.[18] These stories of increased urban costs are typical of the plight of the residents of large cities.

During this critical period of history, when the major cities of the United States are each day confronted with more and more crises, both social and financial, we should direct our efforts to helping the citizen who chooses to remain in the city and work toward its improvement rather than flee from its ills. Toward this end I have today introduced legislation that would go a long way toward correcting a serious inequity of our income tax system.

I have today introduced two bills, the first of which would exempt from payment of the 10-percent surtax proposed by the President, and now being considered by the House Committee on Ways and Means, those people living in cities having a population of 1 million or more. The second piece of legislation I have introduced would amend the Internal Revenue Code to provide a 10-percent credit against the income tax for individuals also living in cities with a population of more than 1 million. Thus, whether or not the proposed 10-percent surtax is enacted into law, the citizen-taxpayer of our large cities will be afforded some relief from the unfair position in which he finds himself under the Federal income tax system.

The article attached, from the New York Times of Wednesday, October 11, 1967, points up the plight of the city dweller on cost of living:

CITY FAMILY'S MODERATE BUDGET REPORTEDLY $9,000

(By Joseph A. Loftus)

WASHINGTON, October 10.—A new Government study of living standards and costs reportedly puts a city workers' family budget at about $9,000.

The Labor Department's Bureau of Labor Statistics would not confirm that figure or any other. It acknowledged, however, that the study had been made and probably would be published next month.

Printing delays have been given as the reason for repeated postponement of publication, but informed persons believe that the Administration wants to avoid compounding problems of wage negotiations, particularly those in the automobile industry. Ford Motor Company employes are now in strike.

The budget that the bureau will unveil deals with "moderate living standards." It has nothing to do with the "minimum health and decency" budget that it used to publish.

The "moderate city budget" that the bureau published in 1959 ranged from $5,600 (for Houston) to $6,600 (for Chicago and Seattle).

The new figure will reflect more than price rises, which alone account for 14.5 per cent of the budget. It will reflect the changing concept of "standard of living."

There are many living standards, depending on one's income groupings. These standards have been changing since the United States became an industrialized country.

At one time, for example, the average factory worker rented his home. The changing concept of family stability now impels him to buy a house. Automobiles once were nonessentials. Today, many factory workers cannot travel between home and job, or between home and supermarket, without private transportation.

So the new budget will reflect ownership of homes and automobiles.

The "moderate" budget does not attempt to say what should be, but rather describes what already exists. The prototype family consists of a working father, age 38; a nonworking mother, a son, age 13, and a daughter, age 8.

The couple are in the middle stage of the life sycle, a well-defined stage in which they have acquired their basic durable goods and maintain a level of social health and well-being that is widely accepted.

The study examines every item that goes into their budget.

Economists of the American Federation of Labor and Congress of Industrial Organization in June, 1966, updated the bureau's "moderate" budget and put it at nearly $6,800. They said that the figure would be about $7,000 in 1967.

They arrived at this by adding price rises and taxes in 20 American cities, but their figure did not reflect the rising standard of living for the grouping that was studied.

The Bureau of Labor Statistics also will publish budgets reflecting a more comfortable level of living than the "moderate living standard"; a lower standard that may be called "minimum of adequacy," and the standard of a retired couple.

A "moderate standard" budget approaching $9,000 may have significant implications for the so-called poverty level budget of $3,200 for a city family of four. That figure was worked out by the Social Security Administration and has been accepted by the Government generally as a line defining the upper levels of poverty.

A labor economist, for instance, said that if the amenities were cut out of a $7,000 budget, it would drop to about $5,000 and make the $3,200 poverty definition look unrealistically low.

U.S. COAL EXPORTS LARGE, CAN GROW LARGER IF U.S. TRADE POLICY REMAINS CONSISTENT

Mr. ESCH. 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 tables and extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, the United States is the world's most efficient producer and largest exporter of coal. Preliminary 1966 data show that the United States exported $457.9 million of its bituminous—soft—coal, and $9.7 million of anthracite—hard—coal. In 1962 exports of bituminous coal were only $351.3 million, though anthracite exports were worth $24.6 million. Anthracite shipments have suffered partly because of lessened demand for anthracite as a home heating fuel.

Bituminous coal is used largely for industrial purposes—it is estimated that 60 percent of the exported coal is for metallurgical purposes, particularly steelmaking. Thus, it is worth pointing out that, although foreign steelmakers sell the United States about 12 percent of its total domestic consumption of steel mill products, some of them use large amounts of American bituminous coal in producing that steel.

Though the United States is a large coal exporter and a very efficient coal producer, there is unquestionably room for greater export growth. An example is the long-term contract just negotiated with Japan. A consortium of three U.S. coal companies have signed long-term contracts to supply between 6 and 7 million tons of coal a year for the next 10 to 15 years. A spokesman for the organization that arranged the contracts foresees "the eventual benefit to the United States from these contracts alone as $1.5 billion worth of regularized trade."

The idea of regularity is important for the coal export business. According to an Interior Department official, before any company in the coal industry will invest millions of dollars in new mines and equipment, it must have a guaranteed market for a period of 10 to 20 years. The long-term contract promises this. The customer is assured of coal for the period of time he has contracted for, at a price previously agreed upon, within the limits of cost-escalation clauses. The

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[11] *Ibid.*

[12] *Ibid.*

[13] 28 CCH State Tax Review 35 at 1 (Aug. 15, 1967).

[14] U.S. Department of Commerce, Bureau of the Census City Government Finances in 1965–1966, at 8 (1967).

[15] U.S. Department of Commerce, Bureau of the Census Compendium of City Government Finances in 1962, at 37 (1963); U.S. Department of Commerce, Bureau of the Census City Government Finances in 1965–1966, at 38 (1967).

[16] *Ibid.*

[17] U.S. Department of Commerce, Bureau of the Census Compendium of City Government Finances in 1962, at 6 (1963); U.S. Department of Commerce, Bureau of the Census City Government Finances in 1965–1966, at 7 (1967).

[18] U.S. News & World Report, Tighter Squeeze Ahead On Middle Incomes, Aug. 28, 1967, p. 31.

only way for the customer to be protected over a long period of time is for him to sign the contract with the producer as well as the broker.

With developments as large as these, the coal export picture looks very bright indeed. A report of the Robert Nathan consulting firm estimates that the foreign market for U.S. coal could reach an estimated "73 to 125 million metric tons in 1970," a substantial increase over 1966 U.S. bituminous exports of 49.2 million net tons.

Another important development is the participation of new geographic areas in the export of coal. The bulk of U.S. bituminous exports now come from western Pennsylvania, northern West Virginia, eastern Kentucky, and Tennessee. But there is now a consortium of three companies at work to develop a long-term contract to supply coal from Arkansas to foreign purchasers through the ports of Port Arthur or Galveston, Tex., which would mean substantial new port facilities and transportation, and associated benefits, for those ports.

In simple dollar terms the United States has a large stake in continued coal exports, and apparently has very bright prospects for increased exports in the near future.

This progress could be made even more substantial were the nontariff trade barriers of Western European countries to be reduced. An effort was made to do so in the recently completed Kennedy round, but was temporarily unsuccessful. I reported to the Congress on the problems of the Kennedy round negotiations on coal in the iron and steel sector report on May 1, CONGRESSIONAL RECORD, pages 11321 to 11335.

The effort to reduce nontariff barriers, such as quotas, on U.S. coal exports can continue and will be successful in future negotiation only if the United States is able to show by its own example that the quota device is an undesirable means of measuring differentials in international competitive forces. The current efforts in the Senate to impose mathematically rigid formulas to control imports of a very wide variety of foreign products would destroy any forward momentum we could expect in further reducing barriers to American exports. In fact, such U.S. quota devices would undoubtedly bring retaliation from those of our customers whose own exports to us were impaired.

The American Coal Exporters Association has prepared tables showing U.S. coal exports by destination. These tables will follow immediately. I also wish to submit for the RECORD an article titled "Coal Exports in the Spotlight" from the October 9 issue of the International Commerce magazine. This article describes the important new steps being taken on behalf of U.S. coal producers. These items follow immediately:

U.S. EXPORTS OF BITUMINOUS COAL AND VALUE

[Net tons]

Country of destination	1962		1963		1964		1965		1966 [3]	
	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value
North and Central America:										
Bermuda			404	$3,992					90	$806
Canada	11,409,746	$98,089,184	13,762,062	116,968,517	14,187,335	$117,435,162	15,660,773	$133,140,587	15,828,528	129,646,103
Costa Rica	50	500	665	5,700	135	1,260	163	1,796	246	2,210
Dominican Republic					89	821	984	10,816		
El Salvador	144	1,330					82	900		
French West Indies	623	6,116	985	10,043	326	3,494				
Greenland	506	4,194								
Guatemala	3,208	33,138	406	3,830			390	3,914	133	1,200
Honduras	439	3,715	255	2,207	450	4,153	302	3,328	122	1,200
Jamaica	68	462			30	280	23	256		
Mexico	51,056	625,765	47,036	568,205	53,453	657,453	60,439	723,528	52,535	649,566
St. Pierre and Miquelon	4,759	47,283	5,004	51,694	3,415	34,981	2,832	31,556	5,028	53,758
Panama	162	1,346	2,938	20,468	62	560	51	560	67	600
Trinidad and Tobago	1,795	20,729	444	4,755	878	10,089	1,082	10,196		
Other	3,057	27,942	28	276	28	256	125	1,378	236	2,642
Total	11,475,613	98,861,704	13,820,227	14,639,687	14,246,201	118,148,275	15,727,246	133,928,815	15,886,985	130,358,085
South America:										
Argentina	670,727	6,115,484	531,390	5,074,085	765,133	7,357,420	619,662	6,103,404	662,523	6,632,751
Brazil	1,316,150	12,893,756	1,155,806	11,134,652	1,101,308	10,637,844	1,210,517	11,864,546	1,739,113	17,206,580
Chile	114,126	1,077,650	180,650	1,705,056	183,783	1,745,943	126,194	1,251,528	156,182	1,571,139
Colombia	438	4,243			456	4,133				
Peru					1,393	12,770	1,262	12,071	375	3,375
Uruguay	57,779	553,647	47,684	451,250	47,333	456,853	37,015	359,339	54,075	557,845
Venezuela			18,151	148,339	83	775	1,024	11,256	579	5,316
Other							44	486		
Total	2,159,220	20,644,780	1,933,224	18,513,382	2,099,489	20,215,738	1,995,718	19,602,630	2,612,847	25,977,006
Europe:										
Coal and Steel Community:										
Belgium and Luxembourg [1]	1,083,949	9,900,956	2,107,443	20,104,898	2,184,827	20,798,400	2,214,749	21,014,807	1,840,544	17,643,173
France	710,080	6,903,803	2,002,294	18,727,849	1,923,835	18,925,222	2,069,602	20,163,292	1,573,517	15,349,905
Germany (West) [4]	4,812,249	43,820,954	5,508,144	50,329,335	5,161,464	48,121,545	4,729,895	43,747,535	4,894,331	45,498,570
Italy	5,837,218	53,563,698	7,611,833	70,073,673	7,859,796	74,031,666	8,930,666	83,312,408	7,805,553	74,778,546
Netherlands [4]	3,186,593	29,034,131	4,170,478	37,837,416	3,985,711	36,498,030	3,371,223	31,238,594	3,165,221	29,656,460
Subtotal	15,630,089	143,223,542	21,400,192	197,109,171	21,115,633	198,374,258	21,416,135	199,476,636	19,279,166	182,926,654
Austria	251,949	2,256,619	44,790	439,879	30,979	286,726				
Czechoslovakia	13,761	122,850	76,718	711,226						
Denmark	37,570	330,592	40,483	358,214	17,505	174,568	5,833	52,536	1,855	16,978
Finland	568	4,989	6,726	61,247	7,532	71,285				
Germany (East)			27,678	275,405	267,921	2,856,059	120,614	1,297,649	157,559	1,610,321
Greece	57,554	553,046	70,563	725,300	35,181	363,192	26,328	27,388		
Hungary			24,569	213,880						
Ireland (Eire)	241,011	2,103,556	464,269	4,169,271	325,290	3,096,940	313,115	2,852,147	355,516	3,341,358
Norway	17,453	170,589	16,688	159,925	93,116	938,832	164,663	1,624,650	220,484	2,200,502
Poland					10,070	93,517				
Portugal	125,398	1,140,427	229,095	2,162,230	162,941	1,523,478	103,604	956,410	120,598	1,123,719
Rumania			44,224	397,328	134,248	1,235,320	56,244	520,527	83,553	795,816
Spain	766,095	6,769,847	1,405,748	13,368,946	1,406,607	13,576,102	1,376,609	13,447,985	1,193,662	11,980,909
Sweden	725,715	6,798,493	874,763	8,277,925	990,733	9,610,479	879,398	8,521,918	951,280	9,519,270
Switzerland			86,995	831,038	21,601	215,620	38,816	389,683	24,116	237,275
Yugoslavia	414,514	3,912,094	404,220	3,858,893	472,224	4,815,463	558,394	5,611,011	596,095	5,809,782
Other	1,996	17,369	50	630			5,917	55,224	3,271	22,605
Total	18,283,673	167,404,013	25,217,771	233,120,508	25,091,581	237,231,839	24,956,670	235,083,764	22,987,155	219,585,189
Asia:										
Indonesia			11,017	109,087						
Israel	326	3,001	226	2,323						
Japan	6,465,395	64,146,538	6,052,895	60,073,703	6,514,724	65,390,555	7,492,114	76,585,938	7,790,585	81,731,408
Philippines	1,139	11,392							231	2,083
Other	235	2,325	110	1,100	68	540	57	628	39	352
Total	6,467,095	64,163,256	6,064,302	60,186,213	6,514,792	65,391,095	7,491,171	76,586,566	7,790,855	81,733,843
Oceania: Australia									15,130	160,752

See footnotes at end of table.

U.S. EXPORTS OF BITUMINOUS COAL AND VALUE—Continued

[Net tons]

Country of destination	1962		1963		1964		1965		1966 [3]	
	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value [2]	Tons [1]	Value [2]
Africa:										
Algeria			5,584	$48,857						
British West Indies			4,928	44,000						
Canary Islands							2,177	$18,553		
Congo (Kinshasa)					5,050	$47,599	4,157	40,097	3,379	$29,487
Egypt	11,362	$88,751	11,233	110,295	12,259	158,425				
Ethiopia			10,641	100,230						
Libya	16,408	156,623	10,405	99,182	51	23,253	310	3,413		
Nigeria							3,912	50,487	5,730	51,580
Other			120	1,427					309	2,782
Total	27,770	245,374	42,911	403,991	17,360	229,277	10,556	112,550	9,418	83,849
Total exports	38,413,371	351,319,127	47,078,435	429,863,781	47,969,423	441,216,224	50,181,361	465,314,325	49,302,390	457,898,724

U.S. EXPORTS OF ANTHRACITE AND VALUE

North and Central America:										
Canada	892,488	$14,165,660	794,585	$12,190,256	636,867	$9,042,930	642,657	$8,582,252	624,280	$7,915,873
Jamaica			122	1,254	46	613	95	1,400		
Mexico	5,325	85,675	7,319	108,268	7,712	104,176	8,921	122,854	23,418	245,920
Trinidad and Tobago	183	3,382	158	3,032	69	941	110	1,426	225	2,921
Other	322	5,538	148	1,807	113	1,521	729	9,672	903	11,708
Total	898,318	14,260,255	802,332	12,304,617	644,807	9,150,181	652,512	8,717,604	648,826	8,176,422
South America:										
Argentina	5,119	73,936			4,424	55,304	5,084	84,187	3,771	61,371
Brazil	10,370	125,598	5,336	71,318	1,701	22,609	2,089	44,999	6,005	99,104
Chile	257	4,751	529	7,134	387	9,695	397	8,229	717	13,598
Colombia	239	3,355	54	1,041	341	38,935	429	10,526	327	7,253
Peru			1,193	11,369	32	394				
Surinam							1,983	60,656	871	11,396
Venezuela	201	3,468	8,094	99,940	6,722	92,948	9,596	174,891	8,978	135,870
Other	29	480	38	664	36	474	45	580	31	1,029
Total	16,215	211,588	15,244	191,466	13,643	220,359	19,623	384,068	20,700	329,621
Europe:										
Coal and Steel Community:										
Belgium and Luxembourg [4]	205,008	2,572,753	543,874	6,751,100	140,486	1,909,146	30,816	391,392	374	4,848
France	140,703	1,373,430	723,964	7,374,115	291,796	3,647,802	29,883	266,152	8,861	82,500
Germany (West) [4]	244,011	2,286,129	52,163	660,828	679	8,808	92	1,187		
Italy	140,413	1,884,037	259,946	3,706,712	208,313	3,084,999	39,093	479,195	31,636	341,810
Netherlands [4]	133,183	1,579,722	829,118	11,065,015	201,071	2,827,104	3,040	51,221		
Subtotal ECSC	863,318	9,796,071	2,409,065	29,557,770	842,345	11,477,859	102,924	1,189,147	40,871	429,158
Denmark			50	538	54	715	93	1,216	103	1,327
Norway							72	684	2,205	16,427
Rumania									10,252	125,026
Spain			93,791	1,179,854	19,183	239,532	29,105	369,369	10,083	147,477
Yugoslavia			155	1,883					424	5,500
Other	65	899	430	5,984	439	5,859	1,483	19,205	899	11,867
Total	863,383	9,796,970	2,503,491	30,746,029	862,021	11,723,965	133,677	1,579,621	64,837	736,782
Asia:										
India	7,965	189,571	3,269	74,046	2,268	90,460	5,110	101,780	2,762	95,629
Indonesia					77	1,055	913	11,834	337	4,361
Israel	9,277	118,166	10,867	111,524	8,385	96,428	168	2,181	31	1,086
Japan			3,714	45,748	11,351	154,189			2,447	25,674
Philippines	85	1,255	277	3,790	120	2,037	818	20,191	559	10,384
Thailand							2,120	20,088	5,946	51,314
Vietnam (South)	5,605	53,443	14,583	197,010	29,385	535,500	30,185	486,122	16,806	241,649
Other	71	800	275	3,409	165	2,205	378	4,897	694	8,990
Total	23,003	363,235	32,985	435,527	51,751	881,874	39,692	647,093	29,582	439,087
Oceania:										
Australia	805	43,435	2,433	30,565	2,267	73,567	4,991	157,889	1,929	70,688
New Zealand			63	705			79	1,020		
Total	805	43,435	2,496	31,270	2,267	73,567	5,070	158,909	1,929	70,688
Africa:										
Kenya					565	9,595				
Tunisia			792	10,100			56	1,068		
Other					43	574			151	1,960
Total			792	10,100	608	10,169	56	1,068	151	1,960
Total exports	1,801,724	24,675,483	3,357,340	43,719,009	1,575,097	22,060,115	850,630	11,488,363	766,025	9,754,560

[1] Does not include shipments to U.S. military forces.
[2] Includes transportation charges (mines to ports).
[3] Preliminary figures.
[4] Shipments as indicated in vessel manifests upon departure U.S. ports, and includes tonnage for transshipment to undesignated destinations.

Source: U.S. customs data supplied by the Bureau of the Census.

JAPAN SALES SIGNIFICANT—COAL EXPORTS IN SPOTLIGHT—PROMOTION OF LONG-TERM CONTRACTS SEEN BENEFICIAL TO U.S. BALANCE OF PAYMENTS, INDUSTRY

(By Leslie J. Wilder)

A long-term contract under which U.S. coal is being exported to Japan is being viewed today with special attention. It is part of a pattern of worldwide distribution that can shape the future of a major U.S. industry. It can also help the U.S. balance-of-payments stance.

Describing the contract, Eli Goldston, chairman of the marketing organization that worked it out, said it represents "the culmination of several years of effort on our part, with the cooperation of the Department of the Interior and the U.S. Embassy in Tokyo, to put the coal trade between West Virginia and Japan on a sound and long-term basis."

The export subsidiary of Goldston's company, Eastern Gas and Fuel Associates, and two other U.S. coal firms, Consolidated Coal Co. and Island Creek Coal Co., have signed long-term contracts with Japanese steel and gas companies to supply 6–7 million gross tons per year for the next 10–15 years.

According to Goldston, "For a period in excess of a decade, there will be considerable assurance that each year coal of a worth of up to $50 million will be purchased at the mine mouth and an additional $30 million will be collected by U.S. railroads for the haulage from West Virginia to the tidewater ports."

Goldston foresees the eventual benefit to the United States from these contracts alone as $1,500,000,000 worth of regularized trade.

ITALIAN CONTRACT SIGNED

Eastern Gas and Fuel, through its export subsidiary Castner, Curran & Bullitt, Inc., also signed a long-term contract for a substantial tonnage with an Italian company a few years ago, and today is a leading U.S. coal supplier to that country. Italy generally holds off on long-term contracts because the country can get attractive terms in West Germany, which is selling below cost due to a surplus that is being stockpiled. The company recently signed a 10-year contract with the national steel company of Spain.

Goldston did much of his promoting of long-term contracts with the assistance of a 1963 report of Robert R. Nathan Assoc., Inc., for the U.S. Department of the Interior's Office of Coal Research, on the foreign market potential for U.S. coal. Another report which helped lay the groundwork for the sale was one on prospects for U.S. coking coal exports to Japan by Paul K. Stahnke, a former second secretary at the U.S. Embassy in Tokyo, now an economic officer at the Department of State.

The Japanese were especially concerned with stability of rail freight rates, Panama Canal tolls, and the general U.S. attitude toward trade with their country. The United States faces considerable competition from Australia, Canada, Poland, Russia and Communist China in exporting to the Orient. But with the Nathan Report in hand, Goldston said he was able to show the Japanese buyers "a concrete example of the U.S. Government interest in the continuation and improvement of the coal export trade between the United States and Japan."

Viewing this activity, George Fumich, director of Interior's Office of Coal Research, sees the long-term contract picture as a "three-legged stool." On the domestic scene, the coal industry, the railroads and the utilities each provide necessary support. Internationally, it is the customer, the producer/exporter and the broker who make up the base.

According to Fumich, "Before any company in the coal industry will invest billions of dollars in new mines and equipment, it must have a guaranteed market for a period of 10–20 years. The long-term contract promises this. The customer is assured of coal for the period of time he has contracted for, at a price previously agreed upon, within the limits of cost-escalation clauses. The only way for the customer to be protected over a long period of time is for him to sign the contract with the producer as well as the broker."

OTHER ENERGY SOURCES

Fumich describes a changing picture, with coal being converted into gas and even liquid (high octane gasoline). The petroleum industry is buying into the coal industry to guarantee its sources of supply. Fumich foresees eventually the growth of a natural resources or energy industry.

Presently, the need is to find a way of cracking coal from its solid state economically, thus broadening the energy base. Petroleum liquid hydrocarbons now account for 75% of U.S. energy consumption. Some 20 years ago coal represented more than 50% of this energy consumption. After World War II a new way of welding pipe was developed, that made it possible to use large-diameter, high-pressure pipelines for transporting natural gas across the country. Coal is now recapturing the same markets, in the form of electricity, and in the future expects even more in the form of synthetic gas.

Reporting to the annual meeting of the Coal Exporters Assn. in June, Mildred M. Loveless, executive secretary of the association, noted the slight decrease in U.S. European shipments in 1966. With respect to 1967 shipments, she said several factors should be considered in any estimate for total 1967 exports: "First, Europe is in the midst of a recession, and has had to shut down many of its own mines; second, competition is great from local sources; third, the use of oil and gas is increasing all the time."

Total bituminous coal exports in 1966 were 49.3 million tons, a 1.8% decrease under 1965 shipments. Canada's receipts of U.S. coal in 1966 rose slightly to 15.8 million net tons.

"In Japan," Mrs. Loveless continued, "increased industrial growth, particularly in the iron and steel industry, has increased imports of coking coal. Meanwhile, Brazil showed the largest increase in receipts of U.S. bituminous coal in 1966 to a single country—an increase of 533,000 tons, or 43.9%. The expansion of the iron and steel industry in Brazil and other Latin American countries will of necessity be based on imported coking coal. Most of it will probably come from the United States."

The European coal crisis and increased sales of oil and gas to the Netherlands, Belgium and France had contributed to the reduction in U.S. coal exports to those countries in 1966.

WEST GERMANY IS COMPETITOR

The sharp decline in U.S. coal shipments to Italy can be attributed in large part to a sharp rise in receipts of West German coal, and to a lesser extent to purchases from Eastern Bloc countries.

Assessing U.S. coal exports overseas, excluding Canada, in 1967, Mrs. Loveless forecasts an increase over 1966 shipments of only 500,000 tons. "I hope my estimate is conservative," she said. "In subsequent years, however, I foresee a more substantial rise. Certainly, projections of foreign demand for high-quality metallurgical coal would indicate a substantial long-term increase in imports of U.S. coal. But, of course, we still face the problem of existing non-tariff barriers."

Mrs. Loveless pointed out that "Coal contributes almost a half billion dollars annually to the U.S. balance of payments, and is the most important single non-agricultural raw material exported from the United States."

NATHAN REPORT CONCLUSIONS

The direction of coal exports has been influenced by the previously mentioned Nathan Report. The report reached the following conclusions, among others:

The foreign market for U.S. coal could reach an estimated 73 to 125 million metric tons in 1970, a 100 to 250% increase in U.S. coal exports over those of 1962. This increase would be dependent upon the extent to which the foreign countries relax their import controls and other protective measures.

U.S. bituminous coal is competitive with local coal in all the major markets of the world. U.S. mine prices and railroad rates have remained comparatively stable, and increased efficiency has reduced the cost of ocean transport. In contrast, production costs in foreign countries have been rising constantly to the point where they often exceed the price of U.S. coal delivered at foreign ports.

Seeing coal export as a vital means of contributing to the U.S. balance of payments, and to domestic employment in the coal-producing states, the Nathan Report also made the following recommendations:

That members of the coal industry make offers to major foreign consumers of long-term contracts at economic prices.

That the coal industry establish an association for the purpose of developing foreign coal markets.

That the U.S. government establish an Inter-Agency Coal Export Policy Committee and a Coal Export Advisory Council.

That the U.S. government, the coal industry and the coal-carrying railroads attempt to work out a reduction in rail rates on export coal.

OLD CONTRACTS FOR 1 OR 2 YEARS

It had been the practice in the U.S. that overseas contracts were negotiated and signed with brokers by the overseas consumer. These contracts were for only one or two years. From approximately the end of World War II to 1961, coal activity was down and the U.S. producers were accepting terms less than the most favorable. Therefore, they were agreeable to one or two year contracts. As the coal picture improved in the 1960's, however, the broker sometimes would be unsuccessful in his search for a U.S. producer, and unable to fill his commitment. U.S. producers did not want to enter contracts of such short duration when they could have longer ones with U.S. purchasers, such as the utility companies, which account for more than 50% of domestic sales.

In many countries national policy discourages the signing of long-term contracts. Belgium, for instance, is confident that the European Community will have established its common energy policy by 1970 and therefore will not make commitments. If this policy is not completed by 1970, presumably the picture will change.

France has relaxed its barriers to the import of coal in recent years, while some other European countries have tightened theirs. What the United States has lost in Europe, however, has been made up for by increased exports to Asia and South America.

Exports to France during the first six months of 1967 rose 45.2% over the same period of 1966 from 863 thousand tons to 1.25 million tons, while exports to Japan rose 61%, from 3.7 million tons during the first six months of 1966 to more than 6 million tons in the first half of 1967.

ARKANSAS IS NEW EXPORTER

Shipments to Japan may rise even further if current efforts to promote Arkansas coal exports are successful. Sumitomo, Garland Coal, and the Kansas City & Southern Railway are negotiating the formation of a new company to supply 11 million tons of coal to Japan over 13 years. Up to the present, Arkansas has not been a source of significant shipments to external markets.

Despite the competition, there will always be markets for U.S. coal because it is top quality. For example, Japan mixes U.S. coal with its own and that imported from Australia and other nations to obtain the grade needed.

High-quality, low-sulphur coal is becoming more in demand in the United States as laws are passed requiring the alleviation of air pollution. Low-grade, high-sulphur-content coal produces the largest amount of pollution. Utilities are now buying premium quality coal, because of its low sulphur content, for heating purposes. In considering the future availability of premium coal for export this increasing demand on the part of the utilities is a matter of concern. Residual oil from Venezuela doesn't meet the anti-pollution requirements. And oil from the Middle East, while it has a sulphur content of less than 1%, is dependent upon the political climate for its distribution, as has been dramatized in recent months.

A market for steam coal exists, but it is not a captive one like that for metallurgical coal. To expand sales, rates must be reduced and a method of delivering coal cheaply must be developed. Because transportation costs are the same regardless of the quality of the coal, the producer will mine, transport and export high-quality coal when he is able to.

The railroads have developed the "unit train," dedicated to a single mine, that can sometimes make a round trip in as little as 48 hours—a most economical operation.

The mine-to-port cost had previously been higher on export coal, because the railroads have not expected an increase in business if they adjusted rates, as they have for ship-

ments of domestic coal. However, when the railroads recently felt it necessary to seek an increase on domestic coal rates, they did not request it for export bituminous coal.

Much of the U.S. supply of low-sulphur, low-priced coal is available in the Western states (No. and So. Dakota, Wyoming, Colorado, New Mexico, Utah) where transportation costs to East coast ports would be prohibitive.

TREND TO GIANT VESSELS

Ocean freight rates fluctuate widely. In the past five years large capacity vessels carrying more than 50,000 tons have been built. Frequently these are chartered by an overseas company that has a long-term contract. The present trend is toward even larger vessels up to 87,000 tons.

Secretary of the Interior Stewart L. Udall has said that "Coal from the United States, produced from the world's most abundant reserves by the world's most efficient methods, has won a solid place in foreign markets as a reliable supply to meet the expanding need for energy. Today, we are only beginning to realize its full export potential." He added that studies such as the Nathan Report "show possibilities for increasing coal exports to 80 million tons or more annually. The coal industry of the United States has both the reserves and the productive capacity to supply these needs while meeting an increasing domestic demand."

COAL FACTS

Here is the coal picture in outline:

Coal represents 70–80% of the U.S. fossil fuel reserve.

Coal represents only 22% of the country's final energy consumption.

Use of coal has declined over the past quarter century as diesel trains have replaced coal-burners, and gas, oil and electricity have become popular forms of heating energy.

Some 60% of exported coal is metallurgical, used in steelmaking.

Total dollar value of bituminous coal exported in 1966 was nearly a half billion dollars. $183 million worth went to the European Coal/Steel Community and $37 million to the rest of Europe. Canada imported nearly $130 million worth; Brazil, $17 million; and Japan, $82 million.

During the first six months of 1967, exports of U.S. coal were up 3% to 23.4 million tons—compared with 22.7 million tons during the same period of 1966.

During the first six months of 1967, 16.7 million tons were shipped overseas from Hampton Roads, Va., the leading U.S. port for coal export.

FORTUNE MAGAZINE EDITORIAL CALLS FOR CLEAR AND CONSISTENT ECONOMIC FOREIGN POLICY BASED ON MARKETPLACE COMPETITION

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, I would like to call the attention of the House to an editorial in the Fortune magazine of September 15, 1967, titled "Toward 'One World' of Business." The point of the editorial is that slowly but surely there is developing "a world in which business will truly know no frontiers, in which the paramount rule governing the movement of goods and money will be the rule of the market."

Fortune identifies this inexorable movement as the true "economic miracle" of the past 20 years, and reminds us that it rests on four principles, which it is well worth restating here:

First, that the marketplace should be the final arbiter of what and how much to produce; second, that profit is the most useful measure of business performance and the best incentive to improve it; third, that the most adaptable and most resourceful form of business organization is the professionally managed corporation that mobilizes its capital through broadly based stock ownership; and fourth, that it is generally better to go out and develop new and ever expanding markets than to defend old ones.

These are important reminders. They apply directly to some of the economic decisionmaking now being made by several major U.S. industries. Fortune itself recognizes the applicability of these principles to developments on the foreign trade scene. It says:

Right now, when some of the world's leading economies are passing through a period of temporary slowdown, there is particular danger of a relapse into protectionism. As competition grows keener in lagging markets, U.S. business should be setting an example by resisting that powerful impulse to make things easier in the short run.

Fortune magazine identifies as cases in point the chemical, steel, and textile industries, though the argument applies to still other industries. In this context it is timely and proper that Fortune reminds us again of marketplace rules, all of which apply directly to these cases in point.

Finally, Fortune calls for "a foreign economic policy that is clear and consistent. Such a policy begins with the understanding that the interconnected world of business is man's best hope for stability, order, and constructive development. And a stable, orderly, constructive world provides the best hope for the United States."

Fortune magazine reminds us of these truths at a historic moment, when the main lines of U.S. trade policy as they have evolved over several decades are being strongly challenged by those very groups whose interests most fundamentally lie both in perpetuating competition along the lines of the above four principles, and in promoting the applicability of these principles throughout the world economy.

TOWARD "ONE WORLD" OF BUSINESS

Long after the notion became shopworn, people were in the habit of describing the astonishing economic upsurge around the world in the past decade as a succession of miracles. First there was the "German miracle," then the "Italian miracle," followed by the "Japanese miracle," and the cliché came up whenever the growth rate of this or that country showed signs of taking off. Two years ago, in an article written for this magazine, the late Henry R. Luce reminded us that "the greatest miracle of them all was the miracle of the American business-enterprise system . . . the inspiration and the source of all the rest." Luce's observation put the picture back into perspective. There is, of course, nothing supernatural about the U.S. business system. Its wondrous performance is the result of applying practical operating principles that evolved out of hard experience.

These principles are so much taken for granted that it is worth while recalling what they are: first, that the marketplace should be the final arbiter of what and how much to produce; second, that profit is the most useful measure of business performance and the best incentive to improve it; third, that the most adaptable and most resourceful form of business organization is the professionally managed corporation that mobilizes its capital through broadly based stock ownership; and fourth, that it is generally better to go out and develop new and ever expanding markets than to defend old ones.

It can be forcefully argued, to be sure, that the U.S. business system owes its success most of all to the special environment created by our unique historical and constitutional development, an environment that encouraged the free and creative expression of individual initiative. Nevertheless, there is now abundant evidence that the U.S. has no monopoly of the qualities that make a business system flourish. Behind the economic "miracles" abroad is a new awareness and understanding of precisely those principles that have been so long familiar to businessmen in this country. In nation after nation, the same process has been at work, casting off ideological blinders, breaking the bonds of traditionalism, parochialism, and narrow nationalism, and clearing the way for greater production and wider distribution of goods and services.

In Western Europe, largely but by no means wholly because of the Common Market, business has emerged from its jealously guarded and once heavily protected local enclaves to compete in the free-for-all of the world market. Great family-owned enterprises such as Krupp, which stood like national monuments immobile in the face of change, have been transforming themselves into modern corporations owned by the public. As the article beginning on page 136 reports, there is growing acceptance of the idea that a company's sales and profit performance are everybody's business, and managements are discovering that they are deceiving themselves as well as their stockholders by not breaking out the figures. As for the Japanese, though they are still laggard about opening up their home market to outsiders, they have come a long way out of the closed society that confronted the world not very long ago. And who needs to be reminded of their nimbleness in adopting new technology and grappling for markets around the globe?

In Latin America, Africa, and continental Asia, still only lightly brushed by the industrial revolution, the old suspicions and creeds die the hardest. But here too there has been an awakening, evident in the somewhat warmer welcome accorded foreign investment and the growing inclination to band together in regional economic units. And only recently, Mexico put in motion a giant policy shift, away from protecting inefficient local "import substitute" industries and toward encouraging production for export.

Finally, even in the Communist countries (leaving aside China) the lessons of practical experience are beginning to penetrate and cast doubt upon established doctrine. Prodded by a rising group of reformers, the economic planners have reluctantly come to recognize that they cannot compel a complex economy to grow simply by issuing edicts and establishing quotas, that they need realistic prices and the yardstick of profit to tell them where to allocate resources. In the new "market socialism" (a phrase Lenin never coined), some plant bosses are even being encouraged to act like businessmen.

BREAKING DOWN THE BARRIERS

The cumulative effect of all these developments has been to make the world a better place to do business in than it has ever been before. The changes of attitude certainly contributed to the expansion of commerce. A further, more portentous consequence has been to break down the barriers, national and otherwise, that divide businessmen from one another, and to bring them together in a sense of common interest, common problems, and common objectives. The quiet proliferation of international consortia and corporate joint ventures, and the new vigor of organizations like the International Chamber of Commerce, are only surface manifestations of a great earth shifting underneath. So, in its way, is the more broad-minded, less resentful approach Europeans are beginning to take toward U.S. investment, an eventful transformation that is described in an article beginning on page 112. "Out of better acquaintance," the writer observes, "has come a healthy tendency to overcome emotions and grasp opportunities."

What is taking shape, slowly and tentatively but nevertheless unmistakably, is "one world" of business, a world in which business will truly know no frontiers, in which the paramount rule governing the movement of goods and money will be the rule of the market. This is a "one world" concept quite different from the kind Wendell Willkie envisioned a quarter of a century ago—the universal brotherhood of man that was supposed to materialize from the blood of World War II. It is a lamentable fact that the economic advance of the past decade has not brought real world peace, nor has it done much to lift the suppression of human freedom in many parts of the globe. But the emerging international community of business does contain the promise of establishing a solid framework of world order, and it will bring home to people everywhere that they can improve their well-being if they can overcome the obstructions posed by ideology and national rivalries. Once set in motion, genuine economic progress has a way of being self-reinforcing; it creates a powerful vested interest in further progress—and in the conditions which make that possible.

TEST OF LEADERSHIP

In the building of "one world" thus far, U.S. business has a proud and indisputable claim to leadership. At home, it has set an example by the unparalleled bounty it has produced, and its operations abroad have provided just the competitive shock treatment needed to stir foreign businessmen out of their complacency and parochialism. But from here on in, a lot more leadership—and of a different, more demanding sort—will be needed. The divisive forces of economic nationalism are still strong, and they have become more insidious, more difficult to fight.

Right now, when some of the world's leading economies are passing through a period of temporary slowdown, there is particular danger of a relapse into protectionism. As competition grows keener in lagging markets, U.S. business should be setting an example by resisting that powerful impulse to make things easier in the short run. Regrettably, however, when the Kennedy Round negotiators dotted the last i on the broadest and deepest worldwide tariff reduction in history, the groans from various sectors of U.S. business were more audible than the cheers. The chemical industry remains as adamant as ever about retaining the American Selling Price in levying import duties, a flagrant vestige of protection that many foreigners consider a test case of U.S. sincerity about free trade. And several other industries, notably steel and textiles, have pleaded that they need greater shelter against what they term "unfair" competition from abroad.

Of course, we needn't be naive about this. Many foreign governments do rig the rules of the competitive game by giving out subsidies, playing tricks with taxation, and imposing quotas on imports—all devices to give their exporters an advantage and throw a shield around their home markets. But the U.S. should be directing its efforts at getting this sort of rigging out on the table, instead of countering with its own retaliatory measures. In fact, it has been said that the next great round of trade negotiations should be devoted to getting rid of these shadowy so-called nontariff barriers. President Johnson ought to be taking the initiative in getting such negotiations under way as soon as possible.

Meanwhile, the U.S. itself stands guilty of perpetuating some more subtle kinds of interference with the free market. Practically all of our foreign aid is "tied" so that recipients must spend the funds in this country. Practically every purchase by a government agency is made under the "Buy American" rule. And then there are those indirect controls on the outflow of capital, the interest equalization tax and the guidelines for corporate investment abroad. Imposed as temporary expedients to cure the balance-of-payments deficits, they are taking on a disturbing air of permanence. Businessmen have rightly protested against the illogic of these restrictions and the long-range harm they will do. But it isn't just the self-interest of U.S. investors that is at stake; it's the whole concept of the free movement of capital. Nobody wants to see a world in which U.S. corporations own everything. One of the best ways to prove that isn't our intention is to assure foreign corporations an even break in obtaining access to our capital markets.

WORLD CITIZENS

The time is ripe for the U.S. to put forward an economic foreign policy that is clear and consistent. Such a policy begins with the understanding that the interconnected world of business is man's best hope for stability, order, and constructive development. And a stable, orderly, constructive world provides the best hope for the U.S.

This doesn't mean a revival of Manifest Destiny, with the Marines only one step behind the overseas investor. It does mean a refinement and projection of the same wisdom that produced the Marshall plan and our enlightened postwar aid to Japan, and more recently led us to encourage the formation of a Latin-American common market. The kind of policy we envision should address itself consistently to world development in all its aspects. It should lay out an economic and political strategy for bringing the backward nations eventually into full-fledged membership in the world market. It should promote efforts to eliminate instability and disorder in world economic life by fashioning a more workable international monetary system and the formulation of commercial world law to protect investment and provide for the arbitration of private contract disputes.

The glory of such an economic foreign policy is that a large part of the responsibility devolves on private corporations themselves. Some large U.S. companies have already become truly world corporations. Not only is the globe their market, but they set up their plants anywhere that it makes economic sense, and they employ workers of many nationalities to produce their goods. Not enough of them, however, conduct themselves like real citizens of the world, which means admitting foreign executives to their management ranks, putting foreign directors on their boards, and inviting foreign stockholders to share in their equity ownership.

But the one world of business is more than governments and more than multinational corporations. It is the seamless web of enterprise, big and little, foreign and domestic, which has been reshaping the global environment at a speed just short of revolutionary. That has been the most inspiring "miracle" of the last decade.

WASHINGTON REPRESENTATIVES, BEWARE

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, an article in the New York Times of September 24, 1967, entitled, "Democrats Press Lobbyists To Aid Party Finances," would seem to indicate that when Washington representatives are invited to informal receptions by agencies of the administration they should leave their wallets at home—but bring their checkbooks.

The article from the Times by John Herbers recounts how various representatives of transportation industries received invitations to a reception in which "Secretary Boyd will discuss matters of interest to you and to this administration at this small, informal gathering."

Mr. John Criswell, the full-time fund raiser for the Democratic National Committee, explained that the affair was not for transportation people alone but included Democrats and Republicans who had contributed to the Democratic Party in the past. Mr. Criswell's explanation notwithstanding, the Transportation Secretary, Alan S. Boyd, did not deny that he had addressed representatives of the transportation industry. After which he promptly left.

Then Mr. Criswell talked about the party's financial troubles and suggested that those present buy tickets to the party's fundraising dinner and dance on October 7. The admission—$1,000 a couple.

How the transportation representatives felt about this bit of flim-flam, of course, I do not know. However, I would suggest that any representatives who are subject to such treatment in the future and resent it should get in touch with their newspaper friends, as was done in this case.

Representatives of Washington arise—you have nothing to lose but your shirts.

I include the article, "Democrats Press Lobbyists To Aid Party's Finances," by John Herbers, of the New York Times, in the RECORD at this point:

DEMOCRATS PRESS LOBBYISTS TO AID PARTY'S FINANCES—AT BOYD RECEPTION, SUPPORT FOR JOHNSON IS URGED AND $1,000 TICKETS PUSHED

(By John Herbers)

WASHINGTON, September 23.—A number of lobbyists for Government-regulated transportation industries were invited by the Democratic National Committee to attend an informal reception for Transportation Secretary Alan S. Boyd last Monday night in a private club in Georgetown.

There they were urged by Mr. Boyd to support President Johnson for another term in office. Then after the Secretary left, they were asked by a committee official to buy $1,000-a-couple tickets to a party fundraising dinner and dance here on Oct. 7.

The black-tie affair, to be held in the Washington Hilton Hotel, has been billed as a President's Ball in honor of Mr. and Mrs.

Johnson and is to be attended by party contributors from throughout the nation.

The Georgetown reception was part of the drive that party leaders are conducting quietly in the private sector to assure a good turnout for the ball. At least part of the proceeds will go into next year's Presidential campaign.

MATTERS OF INTEREST

Invitations to the reception, which were sent out under the signature of John Criswell, acting treasurer of the committee, read:

"Secretary Boyd will discuss matters of interest to you and to this Administration at this small, informal gathering."

The reception was made known by someone in attendance who asked that his name not be used. He said it was his belief that the party had improperly used the office of the Transportation Secretary to seek political support for the President from a regulated industry.

He said the list of attendants was composed largely of representatives of shippers, truckers and airlines, most of whom lobby in Congress.

Mr. Boyd and Mr. Criswell said in interviews that there was nothing improper in the reception. Mr. Criswell said that the reception had not been arranged for representatives of the transportation industry but for a "cross-section" of people who had contributed to the party in the past, Democrats and Republicans.

He declined to provide a list of those who attended, saying he did not want to embarrass them.

HELD AT GEORGETOWN CLUB

The reception was held in the Georgetown Club at 1532 Wisconsin Avenue. The Georgetown section of Washington is a fashionable downtown neighborhood of expensive old homes and shops. The facilities of the club were made available to the party by one of the club's members.

About 40 persons were reported to have attended. Invitations were checked at the door. Mr. Boyd arrived after a cocktail party was under way, had one drink and chatted with a few people.

Then he gave a brief talk, saying that the country was well off and needed Mr. Johnson four more years. The source who attended said it had been his understanding that the speech would be framed for the transportation industry.

Mr. Boyd left immediately after the talk, almost abruptly, the source thought.

Mr. Criswell spoke next, describing the party's past financial troubles. He said that the financial picture was improving, but he was concerned that contributors might get the idea that no more problems remained.

Then he suggested that those present buy tickets to the dinner. The President not only would be at the dinner, the audience was told, he also would stay and dance.

The attendants were assured, according to the source, that arrangements would be handled in a way that none of you people will be embarrassed.

No attempt was made to sell tickets at the meeting. The source said that most of those attending could not afford to buy tickets themselves and were presumably expected to pass the information to their corporate offices. Under the Corrupt Practices Act, corporations are forbidden to make political contributions, but it is a common practice for businesses to do so through individuals.

NO TICKETS SOLD

At least two of those attending the reception, it was learned that Jack J. Valenti had solicited others in their companies in New York to buy tickets. Mr. Valenti, a former special assistant to the President, is president of the Motion Picture Association of America.

Mr. Boyd was appointed the first Secretary of the Department of Transportation last Nov. 6 after Congress agreed to consolidate under one department 34 agencies for air, rail and highway transportation.

These largely have policy, promotional, research and safety functions.

Economic regulatory functions are exercised outside the department by independent agencies such as the Civil Aeronautics Board, the Interstate Commerce Commission and the Maritime Administration.

Members of these agencies, however, are appointed by the President, and the Administration has some advisory influence over rates and routes. International airline routes must be approved by the President.

A FEARLESS OFFICIAL

Mr. Boyd, a former member and chairman of the C.A.B., is known as a fearless official who cannot be swayed by political pressures. When he was informed that word of his appearance before industry representatives at the reception was to be published, he invited a reporter into his office and said that he would be glad to answer any questions.

"I am glad to do anything I can honestly and ethically do to help Lyndon Johnson," he said. "I know this speech was endorsed and encouraged by the Democratic National Committee. I was asked to talk about our program and urge support for the President."

He said he had been a Democrat all his life, but never in his Government career had he given anyone an advantage because of political affiliation or activity. He stressed that no plea for funds was made in his presence and that he expected never to know who at the meeting had made a party contribution and who had not.

The invitation to appear came to him through an assistant who had been reached by the committee, Mr. Boyd said.

Had the White House suggested that he make such appearances?

"Absolutely not, Mr. Boyd replied. "I bet Lyndon Johnson never had any idea that the meeting was being held."

At the end of the brief interview, Mr. Boyd said:

"If you find out about any other meetings I attend, come to me and I will tell you what I said."

The National Committee is, by tradition and practice, an instrument of the White House when the party is in power.

Mr. Criswell, a former newsman and press secretary to J. Howard Edmondson, former Oklahoma Governor and Senator, has been with the committee since 1964 and is the top full-time fund raiser in the party. He is young, affable and, like most staff members of the committee, answers questions in generalities.

CRISWELL WEARY

In an interview, Mr. Criswell seemed somewhat weary from long hours of work in preparation for the dinner. He explained in general terms the party's financial situation. The party ended the successful 1964 campaign more than $4-million in debt.

About half of this was retired in 1965, but little progress was made in 1966 because it was an election year.

The remainder of the debt was paid off earlier this year after fund-raising dinners in Austin, Los Angeles and New York. It is hoped that enough will be raised at the Washington dinner, Mr. Criswell said, to pay some current expenses and leave a substantial amount for next year's campaign.

Much of the money since 1964 has been raised by the President's Club, an innovation of President Kennedy that has been nurtured to maturity by President Johnson. Members pay $1,000 a year to belong, usually in the form of a ticket to one of the dinners.

In return they mingle with the President and attend seminars and other private meetings with Cabinet members.

The Washington dinner is being sponsored jointly by the President's Club and Citizens for Johnson-Humphrey committees. The committees were set up to raise funds in 1964.

Mr. Criswell said he did not know how many would attend but that he hoped for an overflow crowd. Reminded that the Washington Hilton Ballroom holds about 3,000, he said he thought that figure was a little high.

In any event, local Democratic committees across the country are out drumming up attendance and as a result the dinner is expected to be a truly national event, Mr. Criswell said.

He did not seem surprised when told that there had been a complaint about the Georgetown reception. When asked if such participation by a Cabinet member was common, Mr. Criswell said, "Absolutely standard."

A SELECTED LIST

The Georgetown reception, he said, was not set up for representatives of the transportation industry. He said that those invited had been selected by the committee staff from a list of those who had contributed to the party in the past and that a "cross-section" of interests had been on the list of those invited.

The source at the reception said that truckers, airlines and shipping interests had made up the majority of those attending and that major companies had been included. Informed of this statement, Mr. Criswell said that lawyers, bankers, manufacturers and other interests had been invited.

The names of those attending were not disclosed, either by Mr. Criswell or the source. However, Mr. Boyd did not deny that he had addressed representatives of the transportation industry. One lawyer reported to have attended is registered as a lobbyist for two transportation groups as well as other interests.

The fund-raising came at a time when Congress is considering reform legislation on campaign financing.

The Senate has passed a bill designed to plug loopholes in laws requiring the disclosure of contributions and has pending measure to finance Presidential and Congressional campaigns with tax money. Both are advocated by the Administration.

WASHINGTON, D.C., HAS NO "MAYOR"

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I would like to clarify a point and direct the clarification at both members of the press and members of the Johnson administration, especially the President.

The point is that the District of Columbia, Washington, D.C., has no "mayor." There is no mayor. The position of mayor does not exist.

Through frequent repetitions by the President, the press has picked up the phrase that Mr. Walter Washington, newly chosen Commissioner of the District, I repeat, Commissioner, is the "mayor of Washington." He is not. An examination of the Reorganization Act will show that nowhere is there mentioned the word "mayor." While the phrase "mayor of Washington" might

sound nice, it is misleading and a perversion of the law as enacted.

This is not a reflection on Mr. Washington, but I am questioning the sincerity of those who asked for and got congressional approval for a reorganized government which included the position of Commissioner, and who then attempt by Pavlovian repetition to end up with a mayor.

To show the extent to which this conditioning has been effected, the newspapers do not even take the time or effort to place the word "mayor" in quotation marks to indicate that this does not represent actual fact.

Such roundabout methods of achieving "change" in District government by the President and others does suggest the question: Was reorganization of the District designed to improve effectiveness and efficiency, or was there political motivation which is satisfied by creating a "mayor" where none exists?

WIDNALL APPLAUDS PRESIDENT'S BUDGET COMMISSION RECOMMENDATION ON PARTICIPATION SALES

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WIDNALL. Mr. Speaker, the Republican position on the Participation Sales Act of 1965 has been vindicated by the 16-member President's Commission on Budget Concepts. The Commission has recommended that participation sales be treated in the budget in the same manner as regular Treasury securities.

Many of us who warned that PC sales would be the most expensive means of raising Government funds have been proven correct by recent experience, and would prefer outright appeal of the act. Nevertheless, other than the additional cost to the taxpayer, the most damaging aspect of this budgetary gimmick is that it hides from the Congress and the American people the true cost of Government. Such gimmickry, by seemingly reducing Government expenditures—thereby reducing Federal deficits—needlessly delays the application of fiscal restraints.

Those of us who have consistently taken this position will anxiously await Johnson administration actions implementing the Commission's recommendations.

POVERTY PROGRAM

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. THOMPSON] 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 Michigan?

There was no objection.

Mr. THOMPSON of Georgia. Mr. Speaker, yesterday I disclosed on the floor of the House that the main thrust of the poverty program in Atlanta is not to help poor people but for the creation of a political machine.

The needs of the poor have been and are being largely ignored, and many efforts of EOA are concentrated on organizing voters on a block-to-block basis.

Last night I received a telephone call from Atlanta relating to a statement by Rev. C. A. Samples, president of Northwest Community Civic Forum. I had not read this statement before I spoke yesterday although it was dated October 4 and does substantiate, in full, that the Office of Economic Opportunity in Atlanta is ignoring the needs of the poor and is giving preference to organizing a political machine. The poor in Atlanta deserve better. They are not getting the help from EOA they deserve.

Let us in Congress correct the faults of the poverty program. Let us insist that the poor actually be helped, and not that the hopes and aspirations of the poor be raised on high by people who want to use the poor for political purposes. For too long the poor have been used, in Atlanta, for political purposes. They have received promises and too little else in return for their vote. This must be stopped—the poor will not be fooled forever.

The taxpayers' dollars should not be used to create a political machine at the expense of the poor, as is now being done by EOA in Atlanta.

I submit the text of Reverend Sample's statement in full for inclusion in the RECORD:

NORTHWEST COMMUNITY CIVIC FORUM

(By Rev. C. A. Samples, president, Atlanta, Ga.)

To Whom It May Concern:

Congressman Fletcher Thompson of the 5th District has keyed in on 2 vital areas of concern to millions of underhoused, underemployed and ill fed Americans. Being critical of the implementation of existing poverty projects is healthy to clear the atmosphere, before adding new programs that would be the end result of the present ones, if properly administered.

As an example, why ACEP when the Evaluation Center was given an outright grant of 2 million to begin the same job. Another example is a study to evaluate the poverty program in Atlanta when it had only begun to staff itself, just 6 months prior, and had a number of so-called administrative positions open.

The concept of relieving poverty through the Community Action Program has many excellent points. To use professionals from related fields with no imagination and no previous claim to having done anything except punch a clock and file reports, write lengthy reports, attend meetings to be present, and after years of service of doing nothing in their respective fields come forward because of higher pay offered by the CAP to bog it down with their bureaucratic experience and degrees.

Examples are so numerous, space will not allow mention. Retirees find this a fertile field for re-employment. Job specifications are set so high that people who are underemployed could never hope to qualify while still at an employable age. This is done with deliberate malice aforethought and can be proved. Who wants the facts.

In the 5th Congressional District there are 7 Neighborhood Service Centers. Aides were trained to be the eyes and ears of the Centers. These Aides were then instructed by their professional teacher/advisors to enlighten the people about the programs offered from day care to immediate employment at higher rates of pay. The Aides did their jobs well. All roads led to the under-spaced, under staffed and under funded Centers.

The people came by the thousands, as the NSC records will show, to the promised land Centers. Here there hopes were dashed, faded and erased. The people responded, but the intake workers were overloaded, no jobs were available, social services and day care arrangements were still in the paper stage. Buck-passing began in earnest. The poor began to cry out. Millions were being spent, but no services available. No supplies or transportation available either.

The hogs were eating up everything in sight. All money was paying salaries, expanding and restaffing, also reorganizing. People didn't need any formal education to see the perpetuation of a grand scheme.

The Atlanta Grass Roots Crusade was organized in early 1966 to voice the discontent of the disadvantaged communities throughout Fulton County. A trip was made to Washington with documents presented to Mr. Sargent Shriver asking help from the dilemma. He still has them. We did get some relief.

The Crusade represented 35 Grass Roots Organizations throughout Atlanta and Fulton County. This group made its report to the people and set about a permanent organization now known as The Metropolitan Atlanta Grass Roots Council.

The Delegation to Washington, D.C., was composed of Benny T. Smith, C. A. Samples, Otis Cochran, Robert Baynes and Asbury Fears. They were selected to represent the Grass Roots Crusade Against Poverty.

The Grass Roots Council is presently in existence as a watchdog group in all areas of civic and political endeavor.

One point we brought to the attention of Mr. Louis Martin, a Vice-Chairman of the Democratic Party was that one John Calhoun, the NSC Co-ordinator, was attempting to get only people in the poverty areas jobs who would cooperate with him and his staff. This applied to volunteer as well as paid personnel. Community elections were rigged in the beginning. A guide book was issued, and then withheld, except only to certain so-called official people. Communications between the Center and the Community were suddenly stopped. No one could answer any questions while Mr. Calhoun worked his thing. He is quite a manipulator; in fact, he is a super-operator.

The Centers under his operation have all become voter registration headquarters. Receptionists have been sworn in. When you enter for service, you can register first, and business later. The Community Organizers are setting up block organizations with Block Chairmen. These CO's are paid with federal money and work night and day in the target communities. They are requested by their administrative superiors to work on Saturdays and Sundays. Of course they cooperate. If they don't, well they are phased out.

There are many volunteer civic groups who for years have encouraged voting. But they are pushed aside by this well-heeled CAP and the wheeling-dealing center coordinator Mr. Calhoun. Registering voters for the past 12 months has taken precedent over every other project Economic Opportunity Atlanta, Inc. has, to the detriment of her 1,000's of target area inhabitants. I sincerely believe voting is an inherent right.

But also it has no more business being financed with federal funds than the relationship of Church and State. If the CAP does not get out of the political business and down to the social action and education business that it was designed and funded for, then it needs to go out of business. The collision course we find ourselves headed for is not in the best

interests of the target communities. Poor people are tired of being manipulated; they want to participate actively, implementing and making policy.

It must also be remembered that the pioneers whose sweat, both black and white who built America didn't have high school diplomas and college degrees. The innate ability to meet the challenges of life are still present if the change to participate presents itself. This goes to say it must be without the walls of color prejudice, greed and selfish interests.

The business barons and corporate interests know they have the answer. It has been advanced cautiously. No one wants to pioneer an established business in this adjustment experiment. Businesses would more participate if tax write offs would be allowed, if an unexpected decline might take place. This would be the businessman's insurance. All areas of business could take on the unskilled workers and let them receive on the job training for certain periods. Management would be expected to train sub-professionals.

Labor Unions if they expected to continue to operate would have to accept apprentices regardless of color. Open housing would have to be a reality.

Americans have the resources, both human and material to remake, reshape, revitalize, remould, rebuild, renew, restructure or regenerate our society to assure with dignity it's rightful place at the apex of world leadership.

Will we try to be good enough to do it; or will we continue on the mediocre road of self consideration and live under an illusion of false security through material achievements alone.

Time has given America the latter half of this 20th Century to prove to the world the worth of her existence on the time honored principles for the foundation.

A SPECIAL UNITED NATIONS REPORT

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, the following is a special United Nations report I have sent to the residents of the 18th Congressional District of Michigan:

The alternative to peace is not war; it is annihilation—the American journalist Raymond Gram Swing observed. "Coexistence or no existence" is the way U.S. Ambassador Arthur J. Goldberg put it a few weeks ago.

It is that sober message, perhaps more than any other, that has brought the nations of the world to New York every fall for the past 22 years for the annual 3-month meeting of the United Nations General Assembly. Despite their differences, their disappointments and two major wars, they have continued to come, and so far, the world has averted that terrible alternative. This year I have the responsibility and the honor of serving as one of the five principal delegates representing the United States at the 22d General Assembly.

I am writing to you during United Nations week to explain what I am trying to accomplish as a member of the U.S. delegation, to provide a brief background of the U.N. and the major issues that confront it, and to invite your help and advice in this undertaking.

The issues that face the U.N. this fall are as diverse as the 122 nations that make up the General Assembly. They include the problems of Vietnam, the Middle East, Red China, Korea, a possible treaty to halt the spread of nuclear weapons and a long list of other items ranging from control of the world's mineral-rich sea bottoms to the financing of the U.N. itself.

A brief summary of the major issues:

Vietnam: The war in Asia was a key topic in almost all of the opening speeches at the General Assembly. Although not formally on the agenda, Vietnam has been before the U.N.'s Security Council since 1966. Debate, although welcomed by the United States, has been blocked by the Soviets. The search for peace in Vietnam remains a matter of first priority and the U.N. under its charter, has a clear right and duty to concern itself with this problem. Our government is ready to stop air and naval bombardment of Vietnam when assured it will lead to productive discussion with Hanoi. The United States seeks a political solution which assures continued freedom for South Vietnam rather than a military victory.

Nuclear treaty: Russia and the United States have been close to signing a treaty to stop the spread of nuclear weapons to nonnuclear nations since August. The major unresolved question is which international agency will inspect atomic plants and enforce the pact. Accord could come near the end of the General Assembly session in December or early next year. Despite opposition from India, Germany, Sweden, Italy, and France, an agreement between the world's two greatest nuclear powers—the United States and Russia—might be the major achievement of the 22d General Assembly.

Middle East: The United States and Russia approached agreement on many of the complex issues stemming from the June Arab-Israeli war during the U.N.'s special summer session. But both Israel and the Arab States balked at specific settlement proposals. Since then, an Arab summit meeting was held at Khartoum and there have been signs of a change in attitude from some of the Arab States. The U.S. position calls for an end to the state of belligerency, the recognition of state sovereignty, justice for the refugee, free and innocent passage through international waterways, a limit to the arms race, multilateral agreement on the status of Jerusalem, and political independence and respect for the boundaries of all states involved. Israel has maintained its desire for direct negotiations with the Arab States. If direct negotiations prove impossible, the United States believes the U.N. can play a useful role as mediator. But the United States is convinced a peace cannot be imposed by outside powers.

Red China: What U.N. Secretary General U Thant has called China's "nervous breakdown" may scare away much of Peking's support for admission to the U.N. this year. Internal troubles coupled with attacks on such former supporters as India and Britain plus continued demands for the expulsion of Taiwan make it appear that the vote against admission may be even greater than the 56-to-46 margin which barred a seat last year.

Korea, a political battleground: Some of the tension usually attached to the Red China seating debate may be transferred to the annual Communist-bloc demand for U.S. withdrawal from South Korea. The matter comes under U.N. scrutiny because U.S. forces there continue to operate under the U.N. flag although they are not responsible to and do not report to the U.N. As the U.S. representative on the first committee, I will present the U.S. position on this item. Essentially, it is that the United States will agree to withdraw provided North Korea recognizes the U.N. mandate for rehabilitation and reunification of the country. The north has refused to do this in the past and another stalemate appears likely.

Financing the United Nations: The U.N. is a big business and the United States is its largest investor. As the U.S. representative on the U.N.'s fifth committee, comparable to Congress' Ways and Means Committee, I will be involved in reviewing the U.N. budget for fiscal 1968. It is estimated at $324 million, up $24 million from 1967. The figure includes $117 million for direct U.N. expenses, the remainder for the operation of its specialized agencies such as UNESCO. This year the U.S. pays about 32 percent. It has been proposed that our contribution be reduced to 31.91 percent in 1968. Russia, the next largest contributor, pays 14.92 percent.

A mirror of the world: In its 22d year, the United Nations is far from a "parliament of man." But it is a kind of mirror of the world, "warts and all." Despite the frustrations of the many stalemated issues it faces, it would be a mistake to conclude that they add up to failure of the UN concept. Some may indicate a breakdown in diplomacy between the great powers, others may point to the weakness of small power activism. Others reflect areas where only patience and time will cool the passions of conflict. But by its very act of coming together, by its debates and the opportunities it offers for quiet diplomacy off the Assembly floor, our world is made a marginally safer place.

How U.S. delegates are selected: When the U.N. was formed in 1946, Congress provided that two of the five U.S. delegates must always be chosen from its ranks. One-year delegates are selected from the Senate, the next from the House. One member is named from each party and traditionally both have come from the Foreign Affairs Committees. The gentleman from North Carolina, Representative L. H. FOUNTAIN, was named with me this year. Other members of the U.S. delegation include Arthur J. Goldberg, William B. Buffum, Adrian S. Fisher, and five alternates. All delegates are entitled to rank of ambassador.

U.N.'s worldwide operation employ more than 35,000: Although the General Assembly meets for only 3 months each year—September to December—the U.N. is a year-round, worldwide operation. It employs more than 35,000 persons on a fulltime basis, about 5,000 of them at the U.N. headquarters in New York. A second major office complex in Geneva, Switzerland, houses many of the U.N. auxiliary agencies such as the World Health Organization—WHO. The U.N. Educational, Scientific, and Cultural Organization—UNESCO—is located in Paris. Other regional locations are Bangkok, Rome, and Chile. Included in the 35,000 fulltime workers are 11,000 employed on a parttime basis for the U.N. Relief and Works Agency for Palestine Refugees in the Near East—UNRWA.

Commuter schedule: Responsibilities of the U.N. assignment require that I spend much of my time in New York. I am in daily contact with my offices in Royal Oak and Washington and commute as often as possible to keep up with congressional matters. During these 3 months, I will continue to give your requests and your correspondence prompt attention.

WHAT TROUBLES OUR TROUBLED YOUTH?

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HALL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HALL. Mr. Speaker, the distinguished president of the Menninger

Foundation of Topeka, Kans., was the featured speaker at the annual meeting of the American Humanics Foundation in Kansas City, Mo., on August 18, 1967. The topic for his remarks was "What Troubles Our Troubled Youth?" and I believe his remarks are must reading for all those who bear responsibility in the field of preparing our young men and women for positions of leadership in tomorrow's world.

I insert his remarks at this point in the CONGRESSIONAL RECORD:

WHAT TROUBLES OUR TROUBLED YOUTH?

(By Roy W. Menninger, M.D.)

To be asked to address the Annual Meeting of the American Humanics Foundation is an honor indeed, and has given me a welcome opportunity to think together with you about matters of concern to us both: Our youth. One cannot read the newspapers, the popular weekly magazines, watch television, or even travel about our larger cities without being made aware of our youth. Whether it is their numbers, their outlandish or provocative behavior, their fads or their economic influence, they are all about us. To be aware of their presence in all its forms is to become aware of something more: Much that they do is somehow troubling to us members of another generation, and even to those of us but a few years older than they.

Those of us who have occasion to see these youths professionally, as do we psychiatrists, become aware that the youths who trouble so many of us are themselves troubled people. It is no trick, of course, to decide that their troubles are their own—particular difficulties peculiar to the individual who seeks our help; youth who are troubled for having come from troubled families. It is not a much bigger step to decide that these special cases of trouble ought to be referred to a physician, a psychiatrist, a counselor or the like, or perhaps just treated with pills and otherwise disregarded.

To be sure, many of these troubled youths do come from troubled families, and do need psychiatric help. But what is often not considered by adults troubled by these troubled youth, or intentionally ignored if perceived, are some of the concerns about themselves and their place in the world which these troubled youths have in common; not only with each other, but with many of their peers who have not gone the route of becoming a patient. These concerns are not to be dismissed with a wave of our older and wiser hand, as we disdainfully comment on "the modern generation." These concerns which trouble our troubled youth require a hearing, and particularly a hearing from those of us who say, loudly and publicly, that we are concerned about our youth, that we are working to help our youth, that we are humanitarian in our interests. These people include you and me, so it is to us, as well as to many other adults who do not share our views, that I am speaking. I think we have failed our youth, by having failed to listen, or if to listen, failed to hear.

The evidences of their trouble are manifold. Statistics have a way of sounding cold and harsh, often failing to reveal the human tragedy they imply, but let me share a few of them with you. Did you know that one out of every six teen-agers becomes pregnant out of wedlock? Did you know that one-third to one-half of all teen-agers' marriages are prefaced by illegitimate pregnancy? Or that the number of unwed mothers under eighteen has doubled since 1940? Did you know that one teen-age marriage in every *two* ends in divorce within five years? And that forty per cent of all the women who walk down the aisle today are between the ages of fifteen and eighteen?

But it does not stop there. Three youngsters in every hundred between ten and seventeen will be adjudged delinquent this year. There are nearly half a million children hailed into juvenile court every year. There is a tremendous increase in the use of drugs—amphetamines, barbiturates, LSD. It is estimated that in Nassau County—there is no reason to think things are different here than they are there—one kid in every six has taken marijuana and LSD. Some estimate that up to fifty per cent of the kids on college campuses are experimenting with these drugs. The statistics go on, and they do not get better.

I do not know how you react to these figures. To me, they are dismaying, they are troubling; they certainly are a sign of troubled youth. If I were to take my own reactions as suggestive of what many, many other people must feel, I would know that one of the first reactions of an adult to these statistics and the tragedies that lie behind them is fear. So much evidence of disrupted living evokes apprehension within most of us. Will any of these things happen to my children? If they do, am I, the parent, to blame? These chilling statistics coupled with our own impressions of adolescence as a stormy and turbulent time contribute to a sense of apprehension about adolescence in general. "Clearly, they are unpredictable, stormy and potentially violent people," we think. The sudden sound of screeching tires on a nearby street in a quiet neighborhood brings an immediate reaction: "There goes a teen-ager," when of course we cannot know whether we are right or not. I walk down a city street and see a clustered group on the corner. For all I know, they are a bunch of happy, contented kids on the way home from a movie, but what do I feel? Fear. What do I think? They might attack me. So often is there this implication conveyed by the word "teen-ager:" An image of turbulence, conflict, explosiveness, unpleasantness, uncontrollability.

Not all of us are so consciously aware of this fear, but its workings are nonetheless evident in our reactions of contempt, disdain, disgust, or distaste that so many express in the wake of some teen-age act. This reaction or rejection is born perhaps of some conviction that adolescents are volatile combinations of sex and aggression barely under control. For most of us, it is a short and easy step to a reaction of indignant anger. Made anxious by the visible struggles of our teen-agers, we are quick to defend ourselves by righteous proclamations, usually emphasizing our adult wisdom, our greater experience, or some such; quick to point critically to these seriously troubled behaviors in ways that do not flatter us. Out of these anxious and angry feelings of ours come unreasonable constraints on our adolescents; vitriolic attacks on their behavior; ready capitulation to their demands; or perhaps what is worst of all, turning our backs on them, their concerns, and their needs, and ignoring them completely.

These adult reactions are problems for all sorts of reasons: They enable the adolescent to feel misunderstood (which he is); they allow us to think we have done something constructive, when we have done nothing of the kind; and even worse, they lead us to miss the whole point of this troubled behavior. In my view, so much of it speaks of the failure of society to deal with the real issues that adolescence poses for the adolescent, and for the society he lives in. By their very provocativeness, these behaviors draw our attention to the symptoms, obscuring completely the existence of a more serious problem that may underlie them.

For so many adolescents, their challenging behavior is a reaction of frustration to the failure of society to make a reasonable and sensible and appropriate place for them. To put it bluntly, our adult society tends to regard the adolescent as an unfortunate inconvenience, a sort of bad moment that we half wish would go away; a distraction or maybe a disruption that gets in the way of the real business of living for the rest of us, a kind of incidental way station in life which will surely pass if we wait long enough or hold our breath or look the other way. It is as if adult society regards adolescence as an unattractive extension of childhood that we must somehow put up with, until the magic of time has somehow transmuted that cute little baby of yesteryear into the adult of tomorrow. Most of us feel put upon by the very existence of the adolescent, annoyed with his presence, his unpredictability, his demands, his parasitic nature, and the like, as if we were somehow the victim and he the aggressor. And as with any victim, the roads of appeasement and bribery are natural recourses. So we give them a car when they ask, or a new electric guitar, or an increase in their allowance—"anything, just get off my back and out of my way."

More than this: We couple this anxious response of ours with words of moral uplift, sermonizing them about how things will have to change when they get out into that cold cruel world, how they must carry their end of the load, learn to be responsible, put their shoulder to the wheel, and so forth. Often in that vein we tax them with busywork which is meaningless to them and little more than our exploitation of their cheap and available labor.

So it is logical to suggest that our adolescents' provocative behavior may be their way of saying to us, "I object." They may be trying to tell us how they feel at our systematically segregating them from adult society. They may be trying to make us understand how grave is our failure to perceive their legitimate needs for participation, their legitimate needs for genuine challenge and genuine engagement in the real tasks of living.

How is it that adolescents are not greater participants in society? Partly, perhaps, because we look upon the job of the child and the adolescent as having a single, narrowly-focused task: completing his schooling. No matter how we define it, attending school is his task, and all else is secondary and generally classified under the rubric of play. By virtue of this commitment to schooling imposed by society, the child through late adolescence has no other significant social contribution to make. But beyond this, how can he, we ask? He is too immature, or too irresponsible or too inexperienced, or a drug on the labor market, or without enough social merit in the aggregate to permit anything more than the most token participation in any of the social processes characteristic of adult living. He is not ready for the privileges and responsibilities of this participation until some magical point has been reached—a particular age or an official change in status.

Without regard to their individual talents, their interests, their perceptiveness, their energy, their idealism, or their enthusiasm, we deny them a significant role in society at large. To be sure, there are exceptions, and some of us are proud to point them out, in much the manner of some of my bigoted acquaintances: "Some of my best friends are adolescents . . ." But for the aggregate, there is no social role but complaint attendance at school.

Nowhere is the starkness and meagerness of this social isolation more apparent than in the lot of the 15-year-old. Except for going to school, virtually nothing that he can do is legal. He can't quit school, he can't work, he can't drink, he can't smoke, he can't drive except to and from school, he can't marry, he can't vote, he can't enlist, he can't gamble. He cannot in fact participate in *any* of the adult virtues, vices, or activities.

But consider the consequences of this enforced sidelining of the adolescent. There he waits, champing at the bit, full of energy,

drive and curiosity, intrigued and tempted by the publicly advertised advantages of adulthood, asked to forego pleasures that he sees the adults all around him engaging in freely and often to excess. Is it any surprise that he samples these experiences secretly, or in defiance, or inappropriately? And how does it prepare the adoescent for the world of adult responsibilities when he is given no opportunities to test, to try, to experience, to learn by doing? By what magic do we expect this growing adolescent, denied opportunities for the participation that teaches, suddenly to emerge on the stage of adulthood, full-fledged, capable, mature and responsible? Small wonder that so few are ready for these responsibilities when the time comes, when their predominate experience has been the frustration of waiting, impatiently, expected to forego, to postpone, to stand apart from the society which flows all around them.

How does this come to be? How is it that we view our adolescents as overgrown children, treat them as such, and then are perturbed by their acting that way? How is it that we are face to face with a social phenomenon of discontented adolescence which we can neither understand nor manage?

This is no place for an extended analysis, nor am I the person to undertake it if it were. But several factors of interest stand out in this connection that I would like to share with you. I am indebted to William Soskin, Leonard Duhl, and Robert Leopold for their persuasive analysis of these factors and implications, in a chapter on the "Sociocultural Dilemnas in the World of Adolescence and Youth," soon to be published.

One is the dramatic change in the economic status of the adolescent. The affluence of our society means, in effect, that the adolescent does not have to work, because the money he might earn is not as necessary for support of the family as it once was. Affluence provides him with the means for fantastic self-indulgence. It is estimated that last year the aggregate total for allowances and money earned by adolescents came to the staggering sum of fourteen billion dollars. This amount of money, plus a large amount of leisure time, plus a lack of significant involvement in the social fabric inevitably makes for a patterns of living with the character of endless play. This is a sharp swing of the pendulum to the opposite extreme from the days of child labor of fifty years ago.

The affluence in our society provides, moreover, a devastating contrast between the luxuries available to middle class youth and the continuing depriviations of the lower class, and particularly the Negro youth. And I suggest that this contrast is part of the inflammatory pressures that led to the riots that we have witnessed this summer.

This tremendous affluence means, of course, a tremendous consumer market which develops a self-sustaining and expanding dynamic of its own. And from the point of view of the adolescent, I would argue that this self-sustaining market tends to introduce more superficial, materialistic, spurious, shifting, status-centered values that push out the more solid virtues.

A second factor is the upward extension of schooling itself. Compulsory public education for all, initially limited to the elementary grades, gradually extended to secondary school education, as there was an expansion of knowledge that needed to be mastered and an increasing need for more and better training of people. But out of this virtue of compulsory public education came a few unexpected disadvantages. Among other things, it has meant an extended period in which the growing adolescent is dependent upon and controlled by adults. This spells further delay in permitting him to engage in some of the activities that will teach him how to deal with such ultimate life functions as work and the assumption of citizen and social responsibility. We have watched the age of legal responsibility creep upward from seven, where it used to be, to sixteen, eighteen, twenty-one—surely, for very good reasons, but with and not so happy consequences. Many years ago, a boy by the age of sixteen might well have been head of the household, or a soldier in the king's army. Even in our Civil War there were drummer boys and buglers at the age of fifteen.

What are some of these unhappy consequences? I think the most serious effect is the extent to which the adolescent is infantilized—childized" as Soskin, et al, have called it. He becomes more childish, with the room and the permission to stay that way. This state is a deterrent to healthy growth; it provokes and sustains our perceptions of him as inmature. It is a magnificent example of a self-fulfilling prophecy. We deny him some of the responsibilities of maturity, and when he responds with childish behavior, we say, "See, I told you all along you weren't ready." As we react by giving him still less responsibility and penning him up more, *he* reacts with still greater evidence of the immaturity that then justifies another round of adult control and demands for conformity.

I think this infantilizing of the adolescent does something more. I think it probably provokes adventure-seeking, thrill-seeking, serious risk-taking behavior, such as taking drugs, playing chicken on the highway, speeding at ninety miles an hour through the city, and so forth. I would suggest that this behavior not only expresses the sense of helplessness and frustration the adolescent feels at being so irrelevant to the adult society all around him, but conveys as well his anger and his resentment for being so disregarded and shoved aside by us adults.

Adolescents are action-oriented people; they are people seeking a cause and a reason for being. If we fail to supply tasks which are adequate to absorb these energies and relevant to their psycho-social needs they will do the only thing they can: seek their own outlets, and adults be damned. The fatal combination of their needs plus our indifference necessarily and inevitably leads to behaviors which will either embarrass or trouble us and risk being a danger to all. Our expectations and our presumptions about the adolescent as generally too immature to assume much responsibility embarrasses us further when he shows unexpected evidence of political or social maturity. Witness our astonishment at the success of the Peace Corps and our amazement at the conviction and effectiveness of the adolescent civil rights worker. We may not always agree with the sentiments they express and work for, but we cannot deny the strength and the effectiveness of their commitment when they are finally given the opportunity to make it.

One of the effects of these systematic social infantilization of the adolescent arises from the fact that we hang him between the horns of a serious dilemma. By its nature, adolescence forces gradual estrangement of the youth from the supports and the nurture that the family gave him as a child, yet does not provide the benefits and supports of adulthood. And there he hangs, able neither to retreat to the warmth and support of the family, nor advance into the companionship of adult society. This limbo in which the adolescent finds himself was filled in earlier years by the opportunity to serve as an apprentice, and by the availability of real work. With these no longer open to him, his world is an empty one, populated by church and youth groups and some commercial interests. As others have observed, the former are too selective and exclusive, failing to reach the very youth who may need it most, and the latter only exploits the chaos of adolescence for its own interests, with service neither to youth nor society.

Even more tragic, enforced schooling combined with enforced infantilization cemented by a systematic absence of real work and real participation in social process yields an unfortunate fruit. In spite of twelve years of education, the average high school graduate emerges from his educational cocoon with no place to go and nothing to be. He has no occupational identity, no skills worth selling, no systematic practice in the arts of living in a complex society, and not much of a clue about where to go to find what he does not yet have. The exception of course are the college-bound youths, though they, by that very token, are not average. Even here, though they may continue their schooling through various kinds of higher education, those older adolescents continue to feel isolated from society and are, in fact, excluded from much significant participation in social processes. Without voice or responsibility for the society that they are physically a part of, continuing to be aware of a pervasive sense of irrelevance to the larger adult community, they give vent to their distress and their resentment through overt external action—through acts of social protest, or town-grown riots, or vociferous support of unpopular causes, or through internal retreat with LSD or by becoming a hippie.

But these differences between the college adolescent and his drifting buddy who barely made it through high school are differences in degree, not kind. Each in his own way is struggling to come to terms with the failure of society to have prepared him better for the adult life it now expects him to lead. The symptoms of this failure, already expressed by the distressing statistics I recited earlier, are portrayed by unhappy premature marriages or excessive drinking or pursuit of crime. This is a message we cannot afford to miss. This is not simply a school problem; this is not a problem of better law enforcement; this is not a problem of stricter laws to prevent illegitimate pregnancies or teen-age marriages; this is not a problem to be solved by crying alarm or singling out some group for blame.

It is a problem for which all of us, all of us adults, are to blame. But our response to the problems of our adolescents cannot stop with the expression of a bit of guilt followed by some reassuring pablum. In fact, it must proceed to a new and more honest look at the adolescent and his relationship to the world around him. We must set aside this moralistic, holier-than-thou attitude of complacent superiority that we adults so often assume in front of our youngsters, and be willing instead to take a closer look at what it is the adolescent needs for his tasks of growth as he moves from childhood to adulthood, and what it is that we as the guardians of society are or are not providing to him to make that possible. I think we need to take a harder look at the extent to which our society has denied the adolescent the room he needs to experiment, to participate, to engage, and to involve himself in the fabric of real living. We need to consider how we can enable our youth to participate legitimately in the social issues of our time, struggle with the real problems of racial prejudice, social and economic deprivation, self-government, the development of conceptions of service to others. It means a recognition by us of our failure to give adolescents a chance to participate in meaningful, active, and effective ways in the social processes of our communities.

We deprive him of these opportunities at the very moment in his development when he needs the challenge of real situations and real problems to test himself against, to define his capabilities and his interests and to find out what he can do and who he is and what he is made of. We have sidelined him

from the engagement with the vital concerns of our society at a time when he is motivated more powerfully by idealism and a sense of justice than he ever will be again. The adolescent is task oriented, he is eager, he has enormous energy and a willingness to invest this in useful and meaningful activities—but only if he has the opportunity and the permission to do so. If we fail, as I think we have failed, to provide these opportunities and permissions, we deprive an enormous proportion of our youth from engagement in the social and community activities which will give him the laboratory of learning he needs, and we deprive the community of the enormous contribution of vigor, spirit, energy, enthusiasm and capacity for change that could literally remake society.

What makes this failure of adult society so ironic is the fact that there are so many evidences of acute and immediate need in our communities for service, for assistance, for support, for rehabilitation. To see these needs on the one hand and the terrible waste in our eager, energetic but uninvolved youth is a tragedy of enormous proportions. The barest hint of what alchemy of change is possible when these psychologically needful youth are engaged in the tasks of community living are evident in the work of the Peace Corps and VISTA. It was impressive to note that perhaps the most single effective method for controlling the rioters in this summer past in Florida, where it was first tried and and belatedly in Newark, was the use of adolescents in the responsible role of roving carriers of the word, quieting the restless and resentful citizens and undoubtedly forestalling further riots. No one has yet recorded what this experience must have done for the youth involved, but there is no question about the value to the community of their unique participation.

There are surely ways in which a marriage of these socio-psychological needs of our adolescents and the human needs of our communities can be made, with inestimable profit for both. Perhaps this process can be begun by the many voluntary service organizations devoted to youth. I would hope so, but I am aware that this cannot occur without a simultaneous look—a hard look—at the artificiality and irrelevance, the busy work and triviality that all too many of our youth organizations put forth under the rubric of "character building." To be sure, some learning does take place, even from the fun-type avocational pursuits that most middle class oriented youth organizations put before their constituents. But too often, this learning is limited to promoting such selfish concerns as one's own advancement, indulgence or gratification.

Confrontation with the vastly greater needs of the segregated, ignored, deprived kids is rare. Engagement of our middle class youth is actually working with these less fortunate kids—the ones our youth organizations practically never reach—is even rarer, for it seems that it is the pattern of all too many youth groups to rest in the comfortable complacence of promoting good, solid, middle class values of achievement, progress, education, competition, and the like, and to ignore or silently avoid confrontation with, let alone engagement with, some of the critical concerns of our current society—racial and social justice, poverty, deprivation, delinquency, and the absence of individual dignity for so many.

Yet it is the work in these areas where the needs are so great that our hungry, identity-searching adolescents can stand to give so much and learn so much. By grappling with these real problems, engaged with real situations, they develop a truer sense of values than can ever occur from simply sitting passively and being told. They learn what so many of us have yet to learn well: the satisfactions and usefulness of service to others to produce a greater sense of community between both.

It's my hope that youth organizations can rise to this tremendous challenge, and offer some of the opportunities that both our adolescents and our community so badly need. I wish I knew of all the ways in which these glaring needs of adolescent youth for real participation could be met and joined together with the enormous needs of our communities and our society. I am sure there are many ways, and to the task of defining them, developing them, promoting them, and expanding them, we must all devote our energies.

But even this task, vital as it is, cannot begin until we have first begun to recognize the extent to which we have disenfranchised our adolescent youth from the social processes which engage so much attention of the rest of us. Without a doubt, voluntary organizations dedicated to youth have a crucial and significant role to play, so that our adolescents may again become a part of the main stream that flows on to adult maturity. This is a task well worth all the attention we can possibly find to give to it.

DANGEROUS LENGTHS

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. GARDNER. Mr. Speaker, I would like to insert the following article from the October 2, 1967, copy of Barron's so that it might be brought to the attention of my colleagues:

DANGEROUS LENGTHS: THE FEDERAL CRUSADE AGAINST SMOKING HAS GONE TOO FAR

"Outdoor activity of an athletic nature, engaged in by youthful, fit and personable appearing models, serves as a positive backdrop to many cigarette advertisements. This activity also suggests that the smoking depicted in the foreground, if not conducive to rousingly good health, is certainly not incompatible with it. The most prevalent outdoor activity in current cigaret advertising is sailboating (Tareyton, Pall Mall, Parliament and Viceroy filters). To a lesser extent, fishing (Viceroy filters and Camel menthols), tennis (Chesterfield filters), hunting (Camel filters), golf and outdoor cooking (Viceroy filters), and bowling and 'sandbathing' (Winston filters) are all 'in.' . . .

"Some cigaret advertising transcends mere image association and projects its own separate and unique world. Examples include 'Salem Country,' a land in which romantic couples romp and preen through shifting, sylvan settings; the 'Night People,' whose post evening encounters can lead to smoking Parliament filters; and 'Marlboro Country,' where there daily unfolds the simple male heroic virtues of the 'Old West.' Worry over health has been banished from these Shangri-las."

While Barron's tends to disapprove of bureaucracy and all its works, the foregoing passages, taken from a recent Federal Trade Commission Report to Congress, unmistakably smack of talent. If the authors ever decide to seek gainful employment, we urge them to try Madison Avenue. Meanwhile, however, they and their fellow officials in the Federal Communications Commission and the National Interagency Council on Smoking and Health, along with kindred souls on Capitol Hill, are still doing business at the same old doctrinaire stand. Senator Robert F. Kennedy (D., N.Y.) is pushing a bill to tax cigarets according to their tar and nicotine content. The FCC has just reaffirmed a ruling which holds that in order to compete with the blandishments cited above, television broadcasters must give the foes of smoking air time free of charge if not exactly equal. FTC, in turn, relentlessly presses a campaign to force the industry to warn its customers: "Cigaret smoking is dangerous to health and may cause death from cancer and other diseases." Someday it aims to ban all cigaret adveristing.

What began a few years ago as a seemingly well-intentioned, if disturbing, effort to brainwash the citizenry into kicking the habit thus has spiraled into a crusade as menacing and ugly as Prohibition. At the time (Barron's, January 18, 1965), regarding the gross exaggerations of Emerson Foote, who headed the movement, we accused the Public Health Service of "placing the strident claims of the pitchman ahead of the unobtrusive quest for truth." Nothing that PHS has said or done since has changed our view. On the contrary, the anti-smoking forces, putting their worst foot forward, lately have sought to escalate from persuasion to coercion. As inveterate non-smokers, we freely concede that cigarets do one no good. As to the body, politic, however, the unchecked arrogance of bureaucracy is invariably fatal. When the choice lies between living dangerously or toeing the party line, we (like most Americans, evidently) would rather fight than switch.

Since publication in 1964 of "Smoking and Health," which, through a kind of guilt by statistical association, condemned the use of cigarets (but not cigars or pipes), officialdom has done its best to pick a fight. Armed with such dubious "proof," the Federal Trade Commission promptly sought to foist its own uncompromising slogans on the industry, a move which led a more tolerant Congress to pass the Federal Cigaret Labeling and Advertising Act. The law, which allowed manufacturers to put a milder warning on each pack of cigarets, has merely goaded the anti-smoking zealots to greater lengths. Thus, Senator Robert Kennedy, who yields to no man in his hot pursuit of demagoguery, has introduced a bill that would tax cigarets on the basis of their tar and nicotine content, as measured by the FTC in a laboratory newly equipped with a federal smoking machine. The FCC has gone much further. Last June, upon a complaint by a crusading young lawyer (strange how the breed has multiplied of late), the agency abruptly decided that the so-called fairness doctrine applied not only to the public debate of controversial issues but also to advertising. Specifically, it decreed that cigaret foes were entitled to free air time to criticize Winston's grammar, burn their Lark packs and otherwise lose their Kool. Two weeks ago, the agency unanimously reaffirmed its ruling.

"Oh what a tangled web we weave, when first we practice to deceive." From the outset, as a few bold scientific spirits insisted, "Smoking and Health" failed to prove that cigarets cause lung cancer or any other of the many ills to which the flesh is heir. With the passage of time, its findings have grown increasingly suspect. Last year Barron's cited the critique of Professor K. A. Brownlee of the University of Chicago, who faulted the Surgeon-General's Report for inadequate and possibly biased sampling methods, as well as for the arbitrary dismissal of conflicting views. This year the medicine men have undercut their own dogma. For, contrary to their previous findings, which exonerated nicotine as a health hazard, the witch doctors, in a remarkable if little-noted change of mind, are now pointing the finger of suspicion at it. Meanwhile, the Johnson Administration, which never gave the anti-smoking campaign its seal of approval, quietly continues to support the price of the filthy weed

with taxpayers' money, and, for the benefit of foreigners, who presumably neither know better nor care, to extol the virtues of U.S. tobacco.

From a dubious premise, the Federal Communications Commission has proceeded grandly to an absurd conclusion. Since the licensee "is presenting commercials urging the consumption of a product whose normal use has been found by the government to represent a serious potential hazard to public health," the public interest requires him "to devote a significant amount of time to informing his listeners of the other side of the matter—that however enjoyable smoking may be, it represents a habit which may cause or contribute to the death of the user." In so ruling the FCC denied that it was setting a dangerous precedent. However, Commissioner Loevinger, the only member with any qualms whatever, offered effective rebuttal. "No matter what the Commission now says about the distinction between cigaret advertising and other types, it is establishing the principle that the Fairness Doctrine applies to commercial advertising, as distinguished from paid political broadcasting. The Commission will be hard pressed to find a rational basis for holding that cigarets differ from all other hazards to life and health."

The agency also doubtless will have trouble defending its stand in the courts (to which the broadcasting industry has appealed). On this score Mr. Loevinger again gives eloquent testimony. "Because the result seems to me to be socially and morally right," he averred, he was willing—albeit with "great doubt and reluctance"—to go along with the rest. However, he added significantly, "I have doubts that the action is procedurally and substantively consistent with controlling legal rules. I am reluctant because of concern that this action may represent a subjugation of judgment to sentiment." Mr. Loevinger may have his qualms, but for him, as well as for his colleagues, the end plainly justifies the means.

This is the classic rationale of tyranny, the perennial cry of the mob. The public interest, as we have said before, covers a multitude of sins, from the venial to the deadly. Smoking may be a minor issue, but contempt for due process of law looms large. Cigaret advertising, however disagreeable, constitutes an exercise in freedom of speech. Big Brother doesn't take over all at once, he closes in step by step. Here's a chance to draw the line.

PERSONAL EXPLANATION

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. WYDLER] 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 Michigan?

There was no objection.

Mr. WYDLER. Mr. Speaker, on Wednesday, October 11, 1967, on rollcall 307, I did not vote. This bill raised the pay rates of postal and other Federal employees. Unfortunately, I had been invited by the Governor of New York State to participate in an important oceanographic conference in the city of New York on that day. This commitment was of many months' standing. I had hoped to be able to return to Washington in time to vote on the bill but, unfortunately, the final vote came much earlier than was expected. I, of course, supported the pay raise for postal and Federal employees and would have voted in favor of the bill had I been able to be present. I was pleased that it passed the House of Representatives by a substantial majority.

RICE COUNCIL ADVERTISING IS UNFAIR TO POTATO PRODUCERS

Mr. ESCH. 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 Michigan?

There was no objection.

Mr. KLEPPE. Mr. Speaker, I have today asked the Federal Trade Commission to investigate a national advertising campaign by the Rice Council of America which, it seems to me, is unfair to the potato industry and both deceptive and misleading from the consumer point of view.

Although the U.S. Department of Agriculture says that rice actually contains more calories than potatoes, on a gram-for-gram basis, the main thrust of the Rice Council's advertising is that rice makes you slim, while potatoes make you fat. With potato producers receiving only 67 percent of parity—two-thirds of a fair price—for their crop, an advertising campaign designed to scare consumers away from potatoes could have further adverse price effects.

I submit for the RECORD my letter to the Federal Trade Commission:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., October 17, 1967.

Mr. PAUL RAND DIXON,
Chairman, Federal Trade Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I invite your attention to the attached brochure illustrating five advertisements running on a monthly basis in Life magazine under the sponsorship of the Rice Council of America, 3917 Richmond Avenue, Houston, Texas.

It seems to me that this advertising is both unfair and deceptive—unfair to the potato growers of America and deceptive insofar as the consumer is concerned.

As evidence, consider the July advertisement which displays what must be a cull potato, with the label "Ugh!" The message continues: "Just think. You never have to peel rice. All you need to make rice is hot water. Hot digity! Bury it in butter. Or add gobs of gravy! Rice fills you the long way . . . not the *round* way. Come on now—swear off mashing, beating, peeling, whipping. *Rice* is the reckless one!"

Perhaps it would be more accurate to say that the Rice Council's advertising copywriter is the reckless one.

The unpeeled potato may not be the most beautiful vegetable in the world, but it compares favorably with a handful of rough rice. Forgetting aesthetics, however, it seems to me that the thrust of the Rice Council's advertising is that rice makes you slim and potatoes make you fat: "Rice fills you the long way . . . not the round way." The Council's September advertising asks, in boxcar type, "did you ever see a fat Chinese?"—this over a picture of a porterhouse steak with a pile of butter-laden rice alongside.

Although an obese Chinese may be a rarity in food-short Red China today, in happier times this was not true. No one ever confused Charlie Chan with The Thin Man.

If the Rice Council's advertising copywriter believes that "gobs of gravy" on rice is less fattening than on potatoes, let him consult his calory counter or, better yet, his family physician. Enclosed is a copy of a publication, 'Nutritive Value of Foods", which reports that a baked potato weighing 99 grams contains 90 calories, while a cup of cooked rice weighing 168 grams has 185 calories, while a cup of cooked rice weighing 168 grams has 185 calories. In other words, there is a little less than one calorie per gram in potatoes and a little more than one calorie per gram in rice. The report says both potatoes and rice contain only a trace" of fat.

Obviously the calorie count in butter or gobs of gravy" remains constant, whether applied to rice or potatoes.

Therefore, it seems to me that the Rice Council's advertising campaign is unfair to the potato industry, and both deceptive and misleading from the consumer point of view.

This matter was brought to my attention by Mr. Martin Kasperson, Executive Secretary of the Red River Potato Growers Association. I enclose a copy of his letter to me.

I wrote to Mr. L. O. Tiedt, Executive Vice President of the Rice Council in Houston, inviting his attention to Mr. Kasperson's complaint. In his reply to me, a copy of which is enclosed, Mr. Tiedt said, in part:

The industry's intent is to call attention to rice in a light, humorous manner in a campaign not unlike the widely-recognized Avis-Hertz efforts."

I believe this is a rather poor parallel. It wouldn't really be very humorous if Avis advertised that Hertz vehicles were unsafe, which is approximately what the Rice Council seems to be saying about potatoes to a cholesterol-conscious, diet-minded public.

The potato industry is a highly important segment of American agriculture. Potatoes are a major cash crop for many North Dakota farmers. North Dakota, with an average annual output of 14 million hundredweight, ranks third in the nation in potato production. According to the U.S. Department of Agriculture, the average price received by farmers for potatoes on September 15, 1967 was $1.90 per hundredweight as compared with $2.07 a year earlier. This represents only 67 percent of parity, or two-thirds of what is considered a fair price.

With this depressed price, about the last thing potato growers need now is a national advertising campaign designed to scare consumers away from this highly palatable, nutritious food.

Potato growers are most sensitive about another point involved here. As Mr. Kasperson points out in his letter to me:

"Although no direct government subsidy monies are paid into the Rice Council promotion, it is very easily understood that were it not for their subsidy payments they could not afford to finance such an extensive campaign. Potato industry people feel strongly about this, as theirs is a nonsubsidized crop, and that indirectly the United States Government is assisting the rice growers in their attack on the potato industry."

According to the Commodity Credit Corporation's report of its operations for the fiscal year ending June 30, 1967, total commitments to the rice program, including inventory losses, export subsidies and sales under P. L. 480, were $175,862,724.00. Since there are only about 10,000 commercial rice growers in the United States, this means an outlay of about $17,500.00 per operator in a single year.

I believe the Rice Council's current advertising campaign should be investigated by the Federal Trade Commission.

Sincerely,

TOM KLEPPE,
Member of Congress.

TAX INCREASE

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. MCDONALD] 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 Michigan?

There was no objection.

Mr. McDONALD of Michigan. Mr. Speaker, for several months we have been evaluating the President's request for a 10-percent surcharge on incomes to help cut his anticipated $29 billion deficit and stem inflation.

The administration has advanced many arguments, including the threat of greater inflation. I have considered these arguments and simply am unable to accept them. And so, for the following reasons, I cannot at this time support a tax increase:

First, the administration says a tax increase is needed to halt inflation, but has failed to demonstrate conclusively that a serious inflationary spiral is in prospect. The administration's contention, incidentally, is disputed by leading congressional economists in the President's own party.

Second, the administration admits it is faced with a $29 billion deficit, but has failed to make any meaningful reductions in nonessential spending or postpone new and untried programs not vital to the Nation's welfare.

Third, a tax increase would be frozen into law for 2 years and could aggravate an unforeseeable recession in 1968 or 1969. Budget cuts provide a more flexible economic weapon because they can be put into effect at once and allow for a more rapid reversal of policy.

Fourth, a tax increase would be an unnecessary additional burden on the public and especially on those citizens with fixed incomes.

FORT LAUDERDALE NEWS EDITORIAL SCORES PHONY ECONOMY TALK IN CONGRESS

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. BURKE] 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 Michigan?

There was no objection.

Mr. BURKE of Florida. Mr. Speaker, in an editorial which appeared in the Fort Lauderdale News on October 13, 1967, editor Jack W. Gore expressed the views of a great many Americans today with respect to H.R. 7977, the Postal Revenue and Federal Salary Act, which passed the House on October 11. As I was a strong advocate of the recommittal motion which failed by only 12 votes, I feel compelled to make this fine editorial a part of the CONGRESSIONAL RECORD. I therefore insert this editorial at this point in the RECORD:

HOUSE ECONOMY ADVOCATES LACK GUTS TO STAND UP WHEN CHIPS ARE DOWN

This past Wednesday, some 211 members of the House of Representatives provided another graphic illustration of just why the current economy talk in Congress can be given the tag of "all wind and no rain."

Up before the House members was a bill designed to boost postal rates by some $890 million. As originally drafted, the bill was aimed at using the proceeds of the postal rate hike to finance a 4.5 per cent pay increase for 715,000 postal workers.

But that was before the House spenders swung into action. By the time they got through amending what had been a limited pay hike bill, it had been converted into a giant catchall measure aimed at providing over 1,200,000 government employes with pay raises aggregating $2.6 billion.

Just about everybody in government service is included in this deal except 2,800 employes of the Office of Economic Opportunity, the war on poverty agency, which few in Congress seem to think much of these days.

The spend-happy Congressmen didn't even exclude themselves in passing out the pay raises. Stuck into the bill was a nifty little clause which will virtually guarantee a pay raise for Congressmen every four years without them even having to initiate the deal.

Under this clause the President, with advice from a citizens commission, will recommend at four year intervals salary scales for himself, the Congress and for the judicial branch. Unless either House disapproves the recommendations within 30 days after they are made, the new scales will automatically go into effect.

Under this clever little arrangement Congressmen will be spared the political embarrassment of hiking their own salaries. All they have to do is keep their mouths shut and more gravy will almost automatically be poured over their steak.

If one wonders why the lower House used a bill designed to hike postal rates and postal workers' salaries as the medium through which to give all government white collar workers not one but three separate pay raises between October first of this year and April 1 of 1969, the answer to that isn't hard to come by.

This was the spenders' way of trying to avert a presidential veto. President Johnson supposedly favors the idea of hiking postal rates which will continue the process of making the people pay more for increasingly poorer mail service, but he reportedly doesn't favor hiking the salaries of government workers anywhere near as much as this bill contemplates.

Thus, the House spenders sought to put Mr. Johnson on the spot by tying something he doesn't like, to something he does like.

And where were all the economy advocates while this fantastic $2.6 billion dish of gravy was being ladled out?

They were on hand and some of them, including Chairman Wilbur D. Mills of the House Ways and Means Committee, Rep. Gerald Ford, the Republican House leader, and Rep. H. R. Gross of Iowa, a long-time economy advocate, strongly urged that the bill be sent back to committee to chop down the size of the pay boosts and to eliminate the semiautomatic salary hikes for Congressmen.

But in the showdown vote, the economy advocates lost out by a 211–199 tally. So now the bill goes over to the Senate which, unfortunately enough, almost invariably increases rather than chops spending measures approved by the lower House.

This bill obviously makes a joke out of any Congressional claim that the lawmakers are the ones who want economy in government while it is the Johnson administration which wants to spend, spend and spend some more.

What kind of economy is it, we might ask, to pass a bill which increases government revenue only $890 million while increasing government expenditures by $2.6 billion? This is fiscal irresponsibility of the rankest sort, yet this didn't seem to bother the 211 members of the House who put their stamp of approval on this gravy train measure this past Wednesday.

Under the circumstances it is no wonder the federal government is head over heels in debt, and it is no wonder that no matter how much our people cough up in taxes each year it isn't enough.

The sad truth is that we have a Congress full of hypocrites who love to strike a public posture for economy in government but who, when the chips are down, don't have the guts to say enough is enough.

A LOOK AT THE ADMINISTRATION'S FISCAL POLICY—IS THIS ANY WAY TO RUN A BUSINESS?

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. BURKE] 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 Michigan?

There was no objection.

Mr. BURKE of Florida. Mr. Speaker, much discussion of late has centered around the President's recent request for a 10-percent surcharge on income taxes. It seems to me that this proposal is tantamount to asking Congress to raise taxes so the administration can spend more money. This call for higher taxes has undoubtedly caused dire confusion in the Congress and, understandably, throughout the Nation as well.

According to the administration, higher taxes are necessary because of the growing demands of the war in Vietnam plus the admittedly high costs of maintaining the multitude of Federal programs characteristic of the Great Society. But for most of us the big question still remains unanswered: Is a tax hike really necessary?

Many years ago Chief Justice Marshall made the observation that the power to tax is the power to destroy. This leads us to the crucial question which the Congress must resolve. How much will, or can, the American people pay in taxes before they rise in rebellion against the wasteful and continual spending by their own administration? Of course, it is true that these same people are making more demands today than have been made in the history of our country. The trend in recent years has clearly been toward social reform and increased subsidies, all of which lead to a greater expansion of bureaucracy and governmental control.

Let us look at what this expansion has caused in the way of taxes. In 36 States—my own State of Florida not included—there are fixed-income taxes. Over 2,000 cities, counties, or other local governments have separate income taxes. Real estate taxes, as well as personal property and intangible taxes, exist in all 50 States at the city, county, or State level. General sales taxes exist in 42 States, not to mention State inheritance taxes, beer, wine, and cigarette taxes; gasoline, new car, and tire taxes. In addition, we find taxes on city income occupation licenses, stock transfers, mortgages, real estate conveyances, and even taxes for recording deeds of conveyance. People pay indirect taxes by way of auto tags, boat registrations, sewer and water charges, hunting fees, wedding fees; and there are often Fed-

eral, State, or local taxes for using public facilities such as parks and other recreational areas.

Only when we are fully aware of these numerous taxes required by the county and State can we truly see the enormity of the additional tax burden which the Federal Government is asking the American citizen to bear. To put it in perspective, the country is slowly being taxed to death. Higher taxes and inflation continue to negate salary increases and drastically reduce the purchasing power of those on fixed incomes, such as social security recipients. The greatest peril that the American people face today is the prospect of double taxation while trying to cope with the realities of inflation caused by excessive Government spending. It would seem to me that the American public is fully cognizant that the time has come when they should ask Congress and the administration whether such programs are really and truly necessary.

Many of my colleagues are as concerned as I am about the course our ship of state is taking today. For instance, we should be somewhat alarmed when we get statements from the executive branch such as we received when the President wanted an increase in the national debt limit last spring. At that time the public was told by the administration that unless the debt ceiling was raised, those on social security would not receive their benefits. Just recently we had another announcement from the administration in the form of a statement from Secretary Fowler that if Congress does not give the President a tax increase, the Congress of the United States would be required to assume the entire responsibility of the inflation which is sure to follow.

Make no mistake about it—there will be further inflation whether the President gets his tax increase or not. And the direct fault for such inflation lies directly on the shoulders of the President, who erroneously assumed that he could be all things to all people at all times, without destroying the economy and, indeed, the very foundation of this country.

I am convinced that far too much of our Government spending is simply nonessential at this time. Programs should be postponed until the Vietnam war is over and our finances are in better shape. Cuts can be made, and I believe that the American public should accept these cuts. This would apply to public works and other popular civil projects, as well as nonessential foreign aid expenditures which have become more of a habit than a sensible requirement of security.

In short, I do not believe that the administration has truly made a case for its tax increase proposal. In fact, I have joined with my colleagues in suggesting that the President submit new and accurate figures to Congress to indicate just how much the Federal Government is spending before we are asked to vote for a tax hike.

There may well be times when tax hikes are needed to forestall inflation. But even with a tax hike today, the President will have a deficit of $17 to $19 billion, and the country will have to borrow money to keep our Government operating.

I ask, Is this any way to run a business? And Government is our business. We are entitled to have the answers.

FEDERAL FUNDS AND ADVERTISING CAMPAIGNS

Mr. ESCH. Mr. Speaker, I ask unanimous consent that the gentleman from Idaho [Mr. HANSEN] 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 Michigan?

There was no objection.

Mr. HANSEN of Idaho. Mr. Speaker, I have today written to the Federal Trade Commission asking that immediate action be taken on a complaint filed by the National Potato Council against the magazine advertising campaign being conducted by the Rice Council for Marketing Development, Houston, Tex.

As a Representative from the largest potato-producing State in the Nation, I have also written to the Department of Agriculture asking whether, directly or indirectly, Federal funds are paying for part of this campaign.

My letter to the FTC states:

> If the current advertising campaign of the Rice Council for Marketing Development is not, in actuality, illegal it is, at least, in excedingly poor taste in that it attempts to build one product by tearing down another.

In calling attention to a proposed ad which states in part, "The Idaho has got to go," I noted:

> It is my understanding that magazine publication of the ad has been stopped. But it is also my understanding that the Rice Council has been distributing a folder which plays on the same sentence. And, inasmuch as the word "Idaho" is copyrighted as pertaining to Idaho potatoes, would this not make the Rice Council subject to legal—and possibly punitive—action?

My letter to the Department of Agriculture observed that rice is among the most heavily subsidized of all agricultural commodities which certainly is not the case with potatoes. It said:

> I realize that the federal government, through the Department of Agriculture, would not directly subsidize an advertising program such as the one being conducted by the Rice Council. However, in view of the fact that the rice industry is so heavily subsidized can it not be assumed that some of the subsidy money is being forwarded to the Rice Council for this campaign—particularly in view of the fact that the money probably would not have been available had it not been for the subsidies?

VIEWS ON INTERNATIONAL MONETARY AGREEMENT—AFTER RIO MEETING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, the recent conclusion of the joint annual meeting of the World Bank and the International Monetary Fund in Rio de Janeiro climaxed developments of such great potential for the future of international economic relations that an evaluation of this progress seems to be in order. The United States was one of the originators and strongest supporters of the move toward international monetary reform; it thus would only be appropriate that we should, based on a clear understanding of the benefits which may result from the new plan, be among the very first nations to ratify the resolution on this issue, adopted by the delegates to the Rio conference. At this point it would be appropriate to note that this historic development represents a great tribute to the outstanding talents and unremitting efforts of our Treasury Secretary, Henry H. Fowler.

After nearly 4 years of arduous negotiations, the member nations of the International Monetary Fund have agreed upon a new system for the creation of international reserves, to facilitate the continuation and expansion of international economic intercourse. The search for such a system resulted from an increasing concern that the supply of international liquidity might not continue to be adequate to meet the needs of trade and finance: gold production was limited and independent of the requirements of the international financial community; U.S. dollars, the other major component of reserve assets, would become increasingly less available as the United States began effectively to cope with its balance-of-payments problem. And, while a supply of U.S. dollars would remain as international reserves so long as our deficit continued, the very existence of such a long-term imbalance in our international payments eroded world confidence in the stability of the hybrid gold exchange standard.

Thus, a new system of international reserve creation was sought, one which, in the words of Fund Director Pierre-Paul Schweitzer, would reflect "the principle that the international community should be able to control reserves, instead of reserves controlling the community." This principle is embodied in the new plan, adopted at the Rio meeting, which calls for the creation of special drawing rights to supplement the current gold-exchange system of international liquidity.

These special drawing rights, or SDR's, would be allocated to the member nations of the International Monetary Fund in proportion to their present Fund quotas. For example, out of each $1 billion of these SDR's created, the United States would receive an allocation of about $250 million SDR's.

When one nation was confronted with a deficit in its trade balance with another nation, these SDR's could be used to purchase the hard currencies needed to pay off the deficit. The SDR's would thus be accorded acceptability on a par with that of gold and the key currencies presently comprising our reserve assets; special drawing rights would supplement, rather than supplant, our current system of settling international transactions.

In response to fears that the new reserves might be used excessively and unwisely, there are various safeguards built

into the SDR system. First, new drawing rights would be created only periodically and in limited amounts. The participating nations would, each time, be able to evaluate the need for reserve creation, and the wisdom of past use of the reserves. Furthermore, the plan stipulates that at the end of each base period, no nation may have used or acquired an amount of special drawing rights in excess of 70 percent of its initial allocation. Should a nation have exceeded this limit, it must use traditional reserve assets—gold or foreign exchange—to purchase or sell sufficient SDR's to return to the 70-percent limit. Moreover, when a base period ends and the time has come to vote on the creation of further SDR's, each nation's use of the drawing rights will influence the weighting of its vote, which will tend to restrain unwarranted use of these assets.

The initiation of a system of special drawing rights will in several ways be helpful to the United States in its international transactions. The addition to our supply of international liquidity will obviously provide us with an extra means of settling our international debts. Furthermore, the existence of a new type of reserve assets will help to alleviate the pressure on the U.S. dollar and the drain on our gold supply. As the SDR's come into expanded use and gain greater acceptability and respectability in the world economic community, the use of and demand for gold is likely to diminish proportionately.

In the realm of international relations, it would be rare indeed for a great innovation, regardless of its potential benefits to all parties concerned, to encounter no difficulties in obtaining unanimous acceptance; this new plan for monetary reform is, unfortunately, not one of those unique exceptions. Throughout the years of negotiation preceding adoption of the plans at the Rio meeting, one of the major stumbling blocks was the insistence of the European Common Market nations—particularly France—that settlement of the U.S. balance-of-payments deficit was a prerequisite for acceptance of a new asset-creation system. The EEC had numerous political and economic objections to the continuation of the U.S. deficit; only by allocating the voting rights in the new drawing rights system so that the combined EEC countries could exercise veto power over reserve creation, was the agreement of the Common Market nations obtained on the initial outline plan. With this veto power, the EEC felt that it could exert pressure to obtain, among other goals, greater efforts by the United States to resolve its payments deficit.

At the recent annual meeting, the Common Market countries reiterated a further objective, the attainment of which they suggested they might also require before ratifying the reform plan. The veto power that they were granted applies only to the special drawing rights system; they have maintained, however, that they would also like to see changes in the voting rights and rules of the International Monetary Fund with respect to regular activities. Currently, the United States is the only member nation which has sufficient votes to exercise a veto over Fund procedures; the EEC wants to have the required voting majority raised so that their combined votes would be sufficient to exercise veto power.

At present it is difficult to predict to what extent the Common Market nations will insist on a change in the regular Fund rules as a precondition for ratification of the new system of special drawing rights. It goes without saying, however, that any such conflict which delays ratification of the monetary reform plan by all Fund members will be doing a disservice to the entire world economic community.

Mr. Speaker, the continued vitality and growth of international trade can bring in its wake greater economic prosperity and social and political benefits for all participating nations. The international monetary reform resolution adopted by the International Monetary Fund can make a great contribution toward insuring the attainment of these objectives. It is in the best interests of the United States that we strongly support this resolution and urge its ratification by all member nations of the Fund.

BALANCED ECONOMIC DEVELOPMENT

The SPEAKER pro tempore (Mr. GIBBONS). Under previous order of the House, the gentleman from Michigan [Mr. RUPPE] is recognized for 45 minutes.

Mr. RUPPE. Mr. Speaker, it is a high honor for me to reintroduce my balanced economic development bill on behalf of myself and 21 cosponsors. This legislation has been introduced in the other body by Senator KARL MUNDT and 20 cosponsors. The purpose of this legislation is to study the potential for a more orderly pattern of population growth on a national basis through which all sections of the country would benefit.

This legislation establishes a bipartisan Commission to undertake a thorough study and analysis of current geographic trends and economic development in the Nation. The pressing need for this Commission is obvious. The Census Bureau reports a population increase in metropolitan areas between 1960 and 1965 at a rate twice that outside metropolitan areas. About 63 percent of the people already reside in metropolitan areas. Moreover, 40 percent of the population reside in the 38 largest metropolitan areas of the country. The average rate of population increase in these 38 areas is about 2.06 percent per year—more than 20 percent in 10 years. Their median rate of increase is about 1.6 percent a year. This compares with the 0.7 percent average rate of increase outside metropolitan areas and the 1.9-percent average rate of increase for all the 224 metropolitan areas identified by the Census Bureau in 1965.

Thus, the already heavily populated areas continue to grow much more rapidly even in percentage terms than the more sparsely populated areas of the United States. The result of this economic imbalance in the cities has been substandard housing, polluted air, uncontrolled crime in the streets, congested highways, rundown schools, and growing discontent and upheaval among the already deprived minority groups. Economic imbalance in the countryside has resulted in declining economies, poverty-level incomes, limited job opportunities, and a forced exodus of the population into already congested areas.

The problems of the countryside and the urban areas are interrelated although they are often treated separately. Secretary of Agriculture Freeman was correct when he stated recently that urban problems need to be attacked in rural areas. In a recent editorial the Washington Post stated:

> The folly of making urban poor out of the rural poor is being more widely recognized. Instead of accepting the notion that rural emigration is inevitable—or even admirable—the idea is arising that megalopolis may not be the answer to all our social and economic and political problems.

The Federal Government, as well as State and local governments, organizations, institutions and foundations in the private sector are already attacking a variety of problems created by economic imbalance. However, we lack an overview. The problem needs to be approached in its totality. All sectors of society have a real mutuality of interest in understanding the interrelationships between economic development and demographic change. The flood of migrants is no better for the city than for the depopulated areas.

The public and private sectors of our economy could do much to encourage population shifts into more productive and progressive channels. Since we presently lack a national overview, the first step is the creation of a Commission on Balanced Economic Development. I feel a 20-member bipartisan Commission is particularly suitable and effective for this type of undertaking: a thorough analysis of geographic trends in the United States relating to economic development; the causative factors influencing trends; the implications in terms of distribution of population; the effect of governmental actions in shaping such trends; and the factors, both public and private, which influence the geographic location of industry and commerce.

A noted professor at the University of California at Berkeley expressed the need for this type of study when he appeared before the Government Operations Subcommittee exploring the Federal role in urban affairs. I feel that what he said is worth quoting:

> One of the weaknesses in current discussions of the problems of the city is the assumption that the crisis of the city is somehow unrelated to the crisis of our rural areas. It should be obvious that we cannot begin to deal effectively with the problems of the inter-city in education, housing, employment, health and welfare unless we also deal with the rotting and dying areas which are the sources of the apparently inevitable migration to the city. I do not see why this massive, unbalancing migration should be inevitable. I do not see why it is not possible for Federal and State governments, and the private sector, to do things which will encourage a change in the trend of our population movements.

This is in essence, the problem the United States must face and solve. The first step toward so doing is the passage of this bill to set up a commission to focus on this particular area, to make possible a unified effort of approach to a fast-encroaching national crisis. Piecemeal legislation has been tried and failed. This country needs a realistic approach to economic imbalance, and a detailed and particularized study before any positive action can be taken to correct the situation. The establishment of the Commission we advocate today is the logical first step forward.

Mr. Speaker, under unanimous consent I place the text of the resolution in the RECORD at this point:

H.J. RES. 900

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF PURPOSE

SECTION 1. The Congress finds and declares that there is a need for more information and understanding concerning the means for achieving a better geographic balance in the economic development of the Nation. With a view to providing such information and understanding, it is the purpose of this joint resolution to establish a bipartisan commission to undertake a thorough study and analysis of current geographic trends in the economic development of the Nation, the causative factors influencing the same, the implications thereof in terms of the distribution of population, the effect of governmental actions in shaping such trends, and the factors (private and public) influencing the geographic location of industry and commerce as an aid in the formulation of policy at all levels of government.

ESTABLISHMENT OF COMMISSION

SEC. 2. (a) There is hereby established a commission to be known as the Commission on Balanced Economic Development (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members to be appointed by the President as follows:

(1) Four members to be appointed from among residents of cities in the United States with a population of at least one million persons.

(2) Four members to be appointed from among residents of cities in the United States with a population of less than one million persons, but not less than one hundred thousand persons.

(3) Four members to be appointed from among residents of cities in the United States with a population of less than one hundred thousand persons, but not less than ten thousand persons.

(4) Four members to be appointed from among residents of towns, villages, and communities in the United States with a population of less than ten thousand persons.

(5) Four members to be appointed without regard to residence or political affiliation from among citizens of the United States who are specially qualified by training, experience, or knowledge in any field pertinent to the subject matter to be studied by the Commission.

(c) In the case of each class of four members described in clauses (1), (2), (3), and (4) of subsection (b), not more than half shall be members of the same political party.

(d) For the purposes of clauses (1), (2), (3), and (4) of subsection (b), the population of any city, town, village, or community in the United States shall be determined upon the basis of data contained in the current decennial census of population taken in the United States.

(e) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(f) Eleven members of the Commission shall constitute a quorum.

(g) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 3. The Commission shall undertake a thorough and objective study and investigation in furtherance of the purposes set forth in section 1. Such study and investigation shall include, without being limited to—

(1) an analysis and evaluation of the economic, social, and political factors which affect the geographic location of industry;

(2) an analysis and evaluation of the economic, social, and political factors which are necessary in order for industries to operate efficiently outside the large urban centers or to operate and expand within the large urban centers without the creation of new economic and social problems;

(3) a consideration of the ways and means whereby the Federal Government might effectively encourage a more balanced industrial and economic growth throughout the Nation;

(4) an analysis and evaluation of the limits imposed upon population density in order for municipalities, or other political subdivisions, to provide necessary public services in the most efficent and effective manner;

(5) an analysis and evaluation of the effect on governmental efficiency generally of differing patterns and intensities of population concentration;

(6) an analysis and evaluation of the extent to which a better geographic balance in the economic development of the Nation serves the public interest;

(7) an analysis and evaluation of the role which State and local governments can and should play in promoting geographic balance in the economic development of a State or region; and

(8) an analysis and evaluation of practicable ways in which Federal expenditures can and should be managed so as to encourage a greater geographic balance in the economic development of the Nation.

(b) The Commission shall submit to the President and to the Congress a report with respect to its findings and recommendations not later than two years after the effective date of this joint resolution.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings, take such testimony, and sit and act at such times and places as the Commission, subcommittee, or member deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee or member thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this joint resolution.

(c) The Commission may appoint such staff personnel as it deems necessary in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and shall fix the compensation of such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) The Commission may procure such temporary and intermittent services as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

COMPENSATION OF MEMBERS

SEC. 5. (a) Any member of the Commission who is appointed from the executive or legislative branch of the Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

EXPENSES OF THE COMMISSION

SEC. 6. There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this joint resolution.

EXPIRATION OF THE COMMISSION

SEC. 7. The Commission shall cease to exist ninety days after the submission of its report.

Mr. ANDERSON of Illinois. Mr. Speaker, the entire Nation has a tremendous stake in achieving balanced economic development—agricultural and industrial growth and diversifications that spread their benefits across the countryside to cities, towns, hamlets, and farms. Unless balanced economic development can be achieved, the emerging picture for the Nation is indeed bleak. Poor and undereducated people are moving from the prairies, plains, and mountains more rapidly than the cities can assimilate them. There, for all too long an interval they cluster in worsening slums. The rioting and discontent that mark such communities reflect the bitter frustrations of people who have been shortchanged twice in a single lifetime—in their birthland and again in the urban meccas to which they flee in quest of a better life. In the ghettos of the central cities they find themselves relegated to substandard housing with inadequate police protection, insufficient or no parks and playgrounds, overcrowded schools and hospitals. All too often the ambition that brought them to the cities is stifled by a combination of low wages and welfarism. Most of the problems that torture our society in this era of vast productivity and technological process ooze from the Nation's failure to achieve balanced economic development. President Johnson's messages to Congress on civil rights, housing, air pollution, poverty, medical care and other subjects point up, at least by implication the need to start over and find ways to make the countryside prosperous so people may, with a reasonable measure of well-being, live there rather than swarm endlessly into cities that even now fall into chaos before their onrush. No thoroughgoing, overall study has been made of the interrelationships of the problems of rural America and the small towns, and the problems of the big cities. There have

been many studies of isolated problems unrelated to others, but nothing in terms of a balanced economy. There is a pressing need now to find some answer to the problems of whether or not we have brought too many too soon into small areas. We have done it with too little thought as to whether people are going to be happy and content and fruitfully engaged when they go to those areas. Migration has bent in the direction of an assumed economic opportunity which must not exist any more from the standpoint of those people who in cold blood shoot down each other and wreck stores—the destructive manifestations of frustration. Before we can successfully fight a war on poverty, we have to have a picture of the whole problem across the country. We must be sure that we are striking at the causes rather than the symptoms. That is why I would think this kind of Commission would come up with a sort of white paper on developing a better balanced economical and educational opportunity in this country, to correct the problems in the city and in rural America which exist. I believe a study of the shifting of population certainly can help in that direction.

Mr. HATHAWAY. Mr. Speaker, I see this resolution as one of importance to the entire Nation—to the cities and suburban areas, as well as the small towns and rural areas. The purpose of the resolution is to examine the causes and effects of the trend toward mass urbanization and whether Federal policies are really helping to solve the resultant problems. From a lack of proper prospective, many federal programs are limited in scope and are compounding present difficulties. Shifts in population such as the emigration from rural areas to metropolitan areas, and the middle-class flight from the cities have created grave social and economic problems. The older areas of the city are deteriorating and becoming unhealthy and unsafe. The newly established surburban areas have water, sewer, street, school, transportation, and tax problems that are creating new stresses. The rural areas are losing population and people remaining in the rural areas and small towns are experiencing financial difficulties; in some cases approaching those of the depression of the thirties. All of these developments add up to a national economic problem which cannot be ignored. They are producing needs which will quickly exhaust our Federal Treasury. New York City alone has estimated that in the next 10 years it will need $50 billion in Federal funds in addition to what it is presently spending from its own and the State and Federal sources to handle its problems.

I see this resolution as an instrument for studying the whole picture—the problems of New York City as well as the problems of the rural Midwest—in an attempt to bring about a better geographic balance in the Nation's economic development. I feel that solutions to the problems of economic imbalance will result in solutions to many of the sociological problems the Nation is facing as well. The less populated areas of the Nation offer many advantages to industry; such as plentiful water supply, and relief from the threat of air pollution. The urban transit problem which thus far has defied solution would be relieved to whatever extent industry disperses by locating in the less populated areas of the East, Midwest, and West. I believe this resolution offers the means to study the advantages and disadvantages of this type of dispersal. It offers a means to come to grips with the rising strife in the cities as well as the economic decline in other parts of the Nation.

It would certainly be wise to put an end to the industrial overloading of certain areas of our country and seek balanced economic development in the only way possible—a complete understanding of the social, economic and political factors influencing the location of our country's industries. This is the goal of the resolution placed before us—understanding of the system and the way it works so that we might better work with the system and make it and our Nation much better. We want to grow; we want to prosper; but we want to maintain and preserve that which is already ours. We want to insure quality of growth. The Nation needs a well-planned, carefully analyzed program. And such a program cannot be undertaken without a full and complete understanding of the process of economic development, the factors influencing such development, and what effect actions of our Government have upon this development. This resolution seeks to achieve this understanding.

Mr. EVINS of Tennessee. Mr. Speaker, certainly I am in favor of any step that will assist and expedite the development of our smalltown and rural areas.

I want to commend my colleague, the gentleman from Michigan, for the introduction of his bill to establish a Presidential Commission that would define the problem of the urban and rural imbalance.

However, it is my feeling that the primary need is for action rather than study and while I certainly endorse and support the gentleman's bill, it is my belief that the emphasis should be placed on economic development—on improvement of public facilities—on opening up of access to our small towns in areas like Appalachia—on providing of circuit riding Federal teams to assist local communities in applying for Federal assistance—and on enactment of H.R. 9060 which I introduced last April 25 and which will provide tax incentives to induce business and industry to locate in small towns and rural areas. The response to this bill has been most favorable throughout the country.

James Russell Wiggins, editor of the Washington Post, said in a letter:

> It is good to know that not everyone in public life has cheerfully submitted to the notion that nothing can be done to keep our crowded cities from getting even more crowded.

In this connection my staff has compiled a sampling of news stories and editorial opinion on this bill which are of interest to my colleagues and to the Nation generally and which follow:

[From the Memphis Commercial Appeal, Oct. 1, 1967]

ANTICONGESTION CAMPAIGN LURES EYES OF THE NATION

A campaign by Representative Joe L. Evins (D-Tenn.) to ease urban congestion by improving life in rural areas is attracting national attention.

An article by Evins on what Congress is doing for rural America is featured in the current issue of Grange Magazine, a quarterly publication of the National Grange.

A lifelong resident of the Middle Tennessee town of Smithville (population about 2,400), Evins has first-hand knowledge of small towns and rural areas.

From his own business and banking interests in Smithville and neighboring towns, he also has acquired information about the needs of rural communities.

This background obviously has been helpful to him as chairman of the House Committee on Small Business, which currently is looking into the economic problems of rural America. Solving these problems, Evins contends, will in the long run help solve some pressing urban problems.

"With some 70 per cent of our people now crowded into one per cent of our land, and with urban congestion growing worse every day," Evins wrote in the Grange Magazine article, "a comprehensive attack on the problem of pellmell urban population growth must include action to stimulate growth in non-urban area.

"From all sides comes mounting evidence that a full-scale economic revival in Small Town and Rural America is what is most needed to improve the prospect for all America, including major urban areas.

"From official Washington and the communities themselves, a steady flow of recommendations for positive measures to achieve such a resurgence is coming in. Indications multiply that we are at or near the threshold of an historic turning in our country's progressive development."

Evins has introduced a bill to give special tax concessions on investments in plants and machinery in communities outside the metropolitan areas, to stimulate the development of small industries and businesses in the rural areas.

He also has urged more assistance to small business, increased efforts to support the farm economy, more and better higher educational facilities in small towns and rural areas and continued improvement of highways.

Incidentally, Evins, now in his 21st year as a member of the House, has often been mentioned in recent years as a possible candidate for the Democratic nomination for governor. And he has sometimes displayed interest in becoming such a candidate.

[From the San Francisco Chronicle, Sept. 28, 1967]

Anyone that comes up with what purports to be a "no-cost" solution to any of the big, knotty problems of socio-economic origin is surely entitled to a hearing in these grabby days when "gimmie" is the password.

So here's a no-cost "solution" for furnishing private enterprise with incentives to shore-up jobless sore-spots, compliments of the National Federation of Independent Business Inc.

Offer an additional 7 per cent tax credit on the cost of machinery and equipment for enterprises which open up in job-short areas. It's the proposal of Congressman Joe Evins of Tennessee, chairman of the House Small Business Committee, and naturally he attaches strings to "guide" it.

The added credits would be given only to enterprises that employ at least 20 persons. They would not be available to a company

that simply moved, cutting back in one location to benefit another.

Special tax provisions would also be provided for cost of plant and real estate, and tax allowances for training workers. But no tax money need be appropriated for the program.

In all, it's not unlike special incentives that have been and are being offered by some job-short, or depressed, countries. Proponents think, too, that proper application would take some of the pressure off metropolitan centers being overloaded with migrations of unskilled.

[From the Nashville Tennessean, Sept. 30, 1967]

EVINS BACKED ON TAX CREDITS

WASHINGTON.—A nationwide poll shows 63% of those responding favor Rep Joe Evins' bill providing special tax credits to new enterprises locating in rural areas.

The National Federation of Independent Business said the poll of its 240,000 members showed 29% to be in opposition to the Evins measure. Eight percent were undecided.

Poll results for Tennessee were quite similar to national results. There were 68% in support of the bill, 24% in opposition, and 8% undecided.

The measure would provide an additional 7% tax credit on the cost of machinery and equipment for enterprises which open in areas declared to be short of jobs. Such enterprises must employ at least 20 people, half of whom must be from the area.

To prevent an established firm from taking advantage of this, the bill also provides that incentives shall not be available to any enterprise that diminishes its operations or reduces employment in an already established location.

Special tax provisions over a five-year period are also provided for the cost of plant and real estate, and also there are tax allowances for training workers.

The bill is designed to cut down on migration and thereby reduce to the cities population pressures.

EMPHASIS

(Radio broadcast by Louise Evans of station KGNC in Amarillo, Tex., Oct. 4, 1967)

While big city mayors, perhaps understandingly so, and big city-oriented sociologists clamor for billions in Federal funds to solve every problem from rat extermination to jobs for idle teenagers, Congressman Joe Evins, Tennessee, Chairman of the House Small Business Committee, proposes a no-cost solution based on furnishing incentives to private enterprise.

It is this approach that the independent business men support. In a nationwide poll just concluded by the National Federation of Independent Business, the vote in favor of the Evins proposal is a majority of 63 per cent, with 29 per cent opposed, and 8 per cent undecided.

The heavily endorsed Evins bill, which has since been duplicated by similar bills introduced by other members of the House Small Business Committee, would encourage the economic development of rural and submetropolitan America by offering special tax incentives to new business enterprise.

After long study of the problem, the House Small Business Committee concluded that *not only* the present problem, but also a continually growing problem of the big cities is the migrations into these congested centers from the outlying areas by people who are unable to find employment in their home areas. The result is that the cities are overloaded with unskilled and semi-skilled unemployed, futilely seeking work in metropolitan areas that are becoming more and more technologically sophisticated.

The bill would give an additional 7 per cent tax credit on the cost of machinery and equipment for enterprises which open up in areas declared to be short of jobs, provided that such enterprises employ at least 20 persons, of whom at least half shall be from the area of location.

To prevent an established firm from taking advantage of this incentive, the bill also provides that the incentives shall not be available to any enterprise that diminishes its operations, or reduces employment in an already established location. In other words, the gain in new jobs must be a net gain.

Special tax provisions over a five-year period are also provided for the cost of plant and real estate and also tax allowances for training workers.

No appropriation of tax money is called for in the bill. Capital investment needed to provide jobs and reverse the migration to the big cities would be provided by private enterprise assured of partial tax forgiveness during the critical early years of getting an enterprise off to a sound start.

Although there has long been recognition that the national industry and commerce is too heavily concentrated in the big metropolitan areas, this is the first time that a no-cost solution to the problem of decentralizing the economic structure has been advanced.

Federation researchers are also inclined to believe that with a proper understanding, the measure will pick up support from farmers growing increasingly bitter over their returns in ratio to the prices consumers pay for their products.

They point out that as the costs of transportation and transportation labor increases, the costs of food distribution steadily climb, raising not only prices to the consumer, but also cutting down the farmers' share of the food dollar. More equitable distribution of job opportunities bringing people closer to the sources of food supply will shorten the distances from farm to consumer, and thus make reductions possible in the overall costs of food distribution.

[From the Columbia (Tenn.) Herald, Oct. 2, 1967]

REPRESENTATIVE EVINS' TAX CREDITS BILL GAINS BUSINESSMEN'S SUPPORT

WASHINGTON.—While big city mayors, perhaps understandingly so, and big city-oriented sociologists clamor for billions in Federal funds to solve every problem from rat extermination to jobs for idle teenagers, Congressman Joe Evins, Tennessee, Chairman of the House Small Business Committee proposes a no-cost solution based on furnishing private enterprise incentives.

It is this latter approach that the nation's independent business proprietors support. In a nationwide poll just concluded by the National Federation of Independent Business, the vote in favor of the Evins' proposal is a majority of 63 per cent, with 29 per cent opposed, and 8 per cent undecided.

In Tennessee the vote is 68 per cent in favor, 24 per cent opposed, with eight per cent undecided.

The heavily endorsed Evins bill, which has since been duplicated by similar bills introduced by other members of the House Small Business Committee would encourage the economic development of rural and submetropolitan America by offering special tax incentives to new business enterprise.

After long study of the problem, the House Small Business Committee concluded that not only the present problem, but also a continually growing problem of the big cities is the migrations into these congested centers from the outlying areas by people who are unable to find employment in their home areas. The result being that the cities are overloaded with unskilled and semi-skilled unemployed futilely seeking work in metropolitan areas that are becoming more and more technologically sophisticated.

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They point out that as the costs of transportation and transportation labor increases, the costs of food distribution steadily climb, raising not only prices to the consumer, but also cutting down the farmers' share of the food dollar.

[From the Lebanon (Tenn.) Democrat, Sept. 22, 1966]

EVINS SAYS: SMALL-TOWN DEVELOPMENT HOLDS KEY TO CITY PROBLEM SOLUTION

Small towns of America hold the key to a successful assault on the problems of the cities, Tennessee's Fourth District Congressman, Joe L. Evins, told the Congress last week.

In a floor speech with his remarks revised and extended into the Congressional Record, Evins said that the community concept is the backbone of this country.

He pointed to correspondence with President Lyndon B. Johnson in which he suggested a shift in emphasis from continuing to encourage urban growth to a new effort to develop small town potential.

The congressman referred to the president's statement at Dallastown, Pa., on Sept. 3, 1966, in which he said, "Modern industry and modern technology and modern transportation can bring jobs to the countryside rather than people to the cities."

Previously, Evins has charged that "too many federal programs ignore the small towns but have their emphasis on urban areas."

He has given warning to several government witnesses before congressional committees that he intends to wage a more determined campaign to see that small towns are not forgotten in various government programs.

Evins told the Congress that "It has been my contention for years that the community concept found in smalltown America is the backbone of our democratic society."

It is the weakening of that concept that has led to such tremendous problems in our cities, he pointed out.

"It has also been my contention that the direct assault on the problems of our cities will founder unless there is a second front assault made to divert population growth

from our cities. This can only be done by a national campaign to sell smalltown America—a massive effort to create opportunities in smalltown rural America away from the great metropolitan complexes," he declared.

The text of Evins' proposal to the president follows:

1. Large metropolitan complexes are becoming unmanageable, unwieldly and ungovernable. They have far exceeded the cities' ability to provide adequate services. They are not single entities; they are conglomerations of unrelated communities that have grown like topsy. They breed slums, poverty, violence, suicide, discord, unhappiness. Cities have simply outgrown their original concept and their governments. They have exceeded in population and size the quantitative areas that can be governed effectively.

2. The community concept with all of its corollaries is basic to our American system. It is an effective unit. It embraces the psychological dimension that is missing in cities—the dimension of belonging, of being a part of a community, of being neighborly, of identifying with local government, of feeling significant.

3. This concept has been eroded as populations have migrated to our urban areas. Urban populations have been called "the lonely crowd." There is no identification, no feeling of belonging. There is distrust, lack of concern and compassion, lack of identification. Basic human values erode.

As you said in a speech on February 22 last, Mr. President, "The old, tried values of family and neighborhood and community are inperiled or eroded."

4. There are efforts to build whole new communities to retain the community concept and respect inherent in our forefathers' philosophy. But these are isolated efforts. What is needed is a concentrated effort to strengthen the small town base of America, to bring industry and business to small towns, to create towns that embody the best of the new technology and the best of the old philosophy.

5. I believe that people move to cities basically because that is where the greatest economic opportunities are found. You can see departures from this trend in small towns with progressive industry. The children think of staying, rather than leaving. And families who have lived in rural and small town areas prefer to move to a similar environment—but with greater opportunity to live the good life.

Your magnificent effort to build the Great Society is developing the nation in urban areas, rural areas and smaller communities. The new thrust that is needed—the new concept I suggest is a concentrated effort to develop the small town to its peak of perfection and to wage a national campaign to "sell" the small town to our new generation. This would ease urban problems by shifting growth to manageable divisions away from urban complexes.

The true values of our society are strongest in our small towns. We need to strengthen our society by inducing our younger people to live within the strong town structure and concept.

[From the Lebanon (Tenn.) Democrat, Aug. 24, 1967]

EVINS SEEKS REVERSAL TO MIGRATION TREND

(By Lawrence Fernsworth)

While Congressional committees are engaged in ferreting out the complex causes of riots in the cities, Tennessee's Rep. Joe Evins of the 4th district has been working at what he considers an important underlying factor of the problem, namely, reversing the trend of migrations from country towns and the farms to the big cities.

He believes that such efforts, through the improvement of opportunity in smalltown and rural America, and aid to small business has resulted in a slowdown in the rush to the cities.

Two years ago Evins wrote to President Johnson to say:

"Large metropolitan complexes are becoming unmanageable, unwieldy and ungovernable . . . They breed slums, poverty, violence . . . Cities have simply outgrown their original concept and their governments."

These forebodings of two years ago have in fact had what seems like prophetic response in the recent violence that has swept over the country.

But the tensions continued to be eased by a new situation which involves a slowdown of population growth in the big cities as smalltown America forges ahead.

Evins taking note of an article in Business Week reporting this new trend wrote to Director A. Ross Eckler of the Census Bureau for comment.

Mr. Eckler replied that while the populations of metropolitan areas continue to grow faster than in the nonmetropolitan areas, the growth is "at a somewhat reduced pace in the 1960's as compared with the 1950's" and that this "appears to be true for both the non-white and the white populations."

Census figures showed that in the 1950–1960 period about 8.6 million migrants were added to the metropolitan populations while other parts of the country lost about 6 million persons through out-migration.

By contrast there was a reverse trend in the 1960–65 period when metropolitan areas added about 2.5 million and non-metropolitan areas lost somewhat more than half a million through out-migration.

Evins, as chairman of the House Select Committee on Small Business has been zealous in helping to improve the opportunities of smalltown America through making it possible for small enterprises to obtain advantageous loans, either directly through the Small Business administration, or by joint federal and local bank participation.

[From the LaFollette (Tenn.) Press, Oct. 13, 1966]

RURAL EMPHASIS

(By Bert Mills)

WASHINGTON, D.C.—Small town America has few champions in high posts in Washington but one conspicuous exception is Rep. Joe L. Evins (D., Tenn.), Chairman of the House Small Business Committee and a ranking member of the House Appropriations Committee.

Rep. Evins is a 56-year-old lawyer and businessman from Smithville, Tenn., a town of about 2,000 people. The district that Evins has represented for two decades includes about 100 small towns and no big cities. Championing small town America comes naturally for Joe Evins.

For years, the Tennessee legislator has been trying to divert some of the increasing flow of Federal dollars to small communities, with some success. However, most votes are in the cities and most Great Society programs are urban oriented.

The Johnson Administration has even created a Department of Housing and Urban Development to try and meet the crushing problems facing cities. While some of its programs do benefit small communities, HUD focuses its major attention on metropolitan centers.

Rep. Evins has gone along with all the urban programs but at the same time has called for "a national program of economic development in small town and rural America." He has contended that the direct assault of the problems of cities "will founder unless there is a second front assault made to divert population growth from our cities."

More than a year ago, Rep. Evins wrote President Johnson to propose "concentrated effort to strengthen the small town base of America, to bring industry and business to small towns, to create towns that embody the best of the new technology and the best of the old philosophy."

L. B. J. WANTS RURAL FACTORIES

President Johnson has gone part way down the road charted by Rep. Evins but has stopped short of proposing the major program the Tennessean has advocated. In a September speech at Dallastown, Pa., LBJ enunciated his views on small towns.

He said that a poll had shown that half the U.S. population would prefer to live in a small town or on a farm, if they had a choice. The President, a small town boy himself, indicated that would also be his own preference.

Yet more and more Americans forsake the town for the city each year. The President said that if current trends continue, by 1985 as many people will be crowded into our cities as occupy the entire nation now. Enough people to make five more New Yorks or 25 Washingtons will be added to the ranks of city-dwellers a generation hence.

Many of these people, Johnson said, will move to the city against their will, because of better job and educational opportunities. He suggested this need not happen because "modern industry and modern technology and modern transportation can bring jobs to the countryside rather than people to the cities."

"I want to see more factories located in rural regions," Johnson explained. "I want more workers able to supplement their incomes by part-time farming and more farmers working part-time in industry. I want those who love the land to reap all the benefits of modern living."

The President went on to describe all his Administration has done for non-metropolitan areas—the public housing grants, the urban planning grants, the libraries and water systems made possible by U.S. aid.

GET ON WITH IT, EVINS SAYS

Rep. Evins applauded the Dallastown speech, and placed pertinent excerpts in the Congressional Record. He said: "I congratulate the President—and I say: 'Let us get on with it. Much has been done, but the real challenge lies ahead.' "

Evins reminded his colleagues that he has been contending for years that "the community concept found in small town America is the backbone of our democratic society." He argued that it is the weakening of this concept that has caused such tremendous problems in the cities.

The Congressman's proposal, not yet adopted at the White House, is for "a national campaign to sell small town America—and a massive effort to create opportunity away from the great metropolitan complexes."

[From the Columbia (Tenn.) Herald August 1967]

REPRESENTATIVE JOE EVINS PICKS UP REPUBLICAN SUPPORT FOR RURAL JOBS PLAN

WASHINGTON.—Rep. Joe L. Evins, D-Tenn., has gained unexpected top Republican support for his idea of providing more jobs and government services for rural and small town America.

It is far more than an idea for bringing more industry to the South. It is attracting attention as one possible answer to the overcrowding of fiscally strained cities in the North.

The Republican coordinating committee last week unveiled its five-point program for rebuilding "rural America" and for halting or possibly reversing, a nationwide migration to cities.

Evins promptly welcomed the Republicans aboard his bandwagon, which he started last April by introducing two bills offering

tax incentives as inducement to industries to decentralize.

A native of Smithville, Tenn. (pop. 2,500), Evins has turned attention of his House Small Business subcommittee to small town problems. But he also has a hand in committee work on federal urban aid, which for fiscal 1964–68 is totaling $8.8 billion.

Recently Evins, after a look at urban riots this summer, said they "underlined the advantages of life in small town America." He said one result may be that some migrants will think seriously of returning.

In any event, he said, "the violence in big cities has dramatized the tremendous problems created by the concentrations of population in our metropolitan areas."

It has been estimated that urban problems could soak up $1 trillion in federal funds and still remain unsolved. Reserve migration as an alternate or partial solution has attracted increased attention.

President Johnson for months has recurringly looked toward the nation's open spaces on which only 30 per cent of the people occupy 99 per cent of the land.

"Modern industry and modern technology and modern transportation can bring jobs to the countryside rather than people to the cities," he said in an address a year ago.

Last week an assistant secretary of agriculture, John A. Baker, told the National Farmers Union meeting in Hot Springs, Ark., that government is less costly if people are scattered.

Baker in turn quoted the mayor of Kansas City as saying, "That is perfectly clear when you put it on a per capita basis, which is about $120 a year in Kansas City. In a city twice this size, the per capita cost would rise to more than $200 a person."

In one generation mechanization of farming, by destroying rural jobs, drove four million Southerners from the land. Baker said most of them went to just six states—California, Illinois, Michigan, New York, Ohio and Pennsylvania.

He now sees a "flickering beginning" of awareness of the connection between the urban problems of racial tension, pollution and soaring tax costs and the rural problems of depopulation.

The Republican program calls on the government to give preferential services in rural areas that are low in job opportunities. This would include health, education, training and welfare programs.

The Republicans also called for economic inducements to bring in industries, construction of more rural vocational-technical schools and provision for city-style unemployment service in rural areas.

The Evins bills focus on inducing industry to shift plants from the burgeoning urban complexes to small towns and rural areas by providing tax incentives.

These bills are now before the House Ways and Means Committee. Evins is urging the committee start hearings as soon as possible.

[From the Nashville Tennessean, Aug. 24, 1967]

EVINS GREETS RURAL AID PLAN GOP SUPPORT

WASHINGTON.—U.S. Rep. Joe L. Evins, D-Tenn., said yesterday he welcomed GOP support of his plan to induce industry to locate in rural areas through a tax incentive system.

His remarks were prompted by the Republican Coordinating Committee's release of a similar plan to draw industry to small towns and rural areas.

"We are pleased that others are joining in this most important proposal to bring more industry and jobs to our small towns," said Evins, who introduced his bill last April.

The Tennessee lawmaker said his proposal grew from hearings before the House Small Business Committee—of which Evins is chairman—held earlier this year on problems and progress of small towns and rural areas.

The Evins bill, now before the Ways and Means Committee, provides an added 7% tax credit (in addition to the 7% investment tax credit which already exists) for machinery and equipment investment and accelerated tax amortization of investment in industrial facilities to firms locating new or branch plants in rural areas.

Evins had said his bill was designed to offer job opportunities in rural areas to avoid further migration to already congested and problem-filled major cities.

He said the purpose of the bill was to bring the benefits of an expanding economy to rural and small town America.

[From the Lebanon (Tenn.) Democrat, Apr. 29, 1967]

EVINS ACTS TO IMPROVE SMALL-TOWN LIFE

(By Lawrence Fernsworth)

WASHINGTON.—Rep. Joe Evins of Tennessee's 4th district, who has become the recognized Congressional champion of the small towns of rural America has proposed a 7 per cent tax credit incentive to induce small industrial concerns and branch plants of larger concerns to locate in smaller communities.

His proposal, in the form of a bill called the Tax Incentive Development act is intended, as Evins told the House, to encourage young people "to channel their talent and their creativity into their own community rather than in major cities to compete with the residents of those cities for jobs."

The plan has grown out of evidence produced before the House Small Business committee of which Evins is chairman, and has the support of most if not all members of that committee as well as of other colleagues who have introduced companion bills.

It has particular application to a number of Tennessee counties that have seen their populations in various stages of depletion as their young people leave to hunt jobs in already overpopulated big cities.

Some of this evidence revealed that there are more Tennessee-registered voters in large cities outside the state than in their home counties. These people come back to vote and look forward to the day when they can go back to live in their home communities with assurance of jobs.

As the situation is now in many parts of the country the exodus of young people from rural communities to the larger cities is rapidly producing two nations, Evins told the House, "one a rural wasteland and the other urban slums."

The 7 per cent tax incentive proposed by Evins, would be in addition to the 7 per cent investment tax credit now in process of being restored—or a total of 14 per cent.

In Addition to the special credit the bill proposes an accelerated tax amortization of investment in industrial and commercial facilities, including land, over a sixty-month period.

There is a clause in the bill which prohibits the pirating of industry from another section.

[From the Nashville Tennessean]

TAX BILL FAVORS RURAL LOCATION OF BUSINESS

(By Edmund Willingham)

WASHINGTON.—U.S. Rep. Joe Evins introduced yesterday a bill to provide tax breaks to businesses locating in small towns and rural areas.

The bill, an out-growth of House Small Business Committee hearings on the problems of small towns, would offer:

An additional 7% tax credit for machinery and equipment investment in smaller communities. This would be in addition to the 7% investment tax credit, now suspended, but expected to be restored by a bill that has passed the House and is now before the Senate.

Accelerated tax amortization of investment in industrial and commercial facilities, including land, over a 60-month period, to industry locating new or branch plants in small towns.

Evins, a small town champion, said the additional tax credit would not be allowed a concern unless 20 new jobs were created and the enterprise located in an area of high unemployment or underemployment, based on low family income.

The tax break also would be available for Indian reservations and areas affected by the closing of defense installations.

Evins emphasized that the aim of his bill is to bring the benefits of an "expanding" economy to small communities, and that it contains a clause prohibiting the pirating of industry.

"It is my hope that this bill will provide jobs and employment opportunities for our young people and others who want to live at home," he said. "A recent poll shows that 50% of our people want to live in rural America."

Evins quoted with approval a Washington Post editorial which said the nation "cannot accept as inevitable the further concentration of rural refugees in its large cities . . . the neglect of this problem is rapidly producing two nations—one a rural wasteland and the other an urban slum."

The 5th District congressman is chairman of the small business committee and during recent hearings held by a subcommittee Secretary of Agriculture Orville Freeman suggested the tax break for rural America. Evins responded to the idea immediately.

The thrust of the hearings was that urban areas cannot solve their problems until small town problems, including out-migration, are tackled. Evins' bill would try to provide more attractive opportunities in rural areas.

[From the Bristol (Tenn.) Herald Courier, May 3, 1967]

EVINS' BILL COULD ALTER COUNTRYSIDE

(By Elmer Roessner)

There is a modest little bill in Congress which probably will not be passed but which, if it is, will remake the face of America.

It is the tax-incentive development bill introduced by Rep. Joe L. Evins, D., Tenn., and sponsored by several other representatives.

The bill proposes tax advantages to businesses that are located in smaller communities. These are:

An added 7 percent tax credit, in addition to the suspended investment tax credit, for machinery and equipment investment in small cities.

Accelerated amortization of investment in industrial and commercial facilities, including land, over a 60-month period, to industries locating new or branch plants in small towns and rural areas.

TO THE HILLS!

Many corporations are already moving out of big cities to escape rising taxes, holdups, muggings, Mafia, air and water pollution, graft and other inconveniences.

Many states, counties and communities are offering tax advantages to businesses that settle in industrial parks. The most common is the construction of plants by the civic body by the sale of tax-exempt bonds, and the leasing of those facilities at rents that pay off the bonds. This sort of arrangement, in effect, gives the new business the advantage of tax-free rates on money needed for capital investment.

There is another great advantage in moving to small-town and rural communities: There are often abundant supplies of labor which is not organized and, because they do not have to pay big-city taxes and living costs, are happy to work for moderate wages.

MOUNTING ADVANTAGES

These advantages, plus the tax credits proposed by Joe Evins, would make moving to small-town or rural areas almost compulsory to a great number of businesses.

The 7 percent tax credit is no small item.

When Congress suspended the tax credit for machinery and equipment investment, the big corporations quite naturally postponed investments. This had the effects of a tax strike, and the administration and Congress were quick to call for an end to the suspension.

With two 7 per cent tax benefits available, scarcely a company in America could afford not to study the possibilities of moving to a rustic settlement.

If the Evins bill should be passed, the end of the cities would be hastened and smokestacks and plants would rise on what is now quiet countrysides.

[From the Sparta (Tenn.) Expositor, Aug. 31, 1967]

GUEST EDITORIAL: RECENT RIOTS UNDERLINE SMALL-TOWN IMPORTANCE

(By JOE L. EVINS, Fourth District Congressman)

The recent riots and violence in some of our major cities again have underlined the advantages of life in Small Town America—and the importance of programs of growth and progress that encourage our talented young men and women to invest their futures in their home communities. The violence in big cities has dramatized the tremendous problems created by the concentrations of population in our metropolitan areas.

Seventy percent of our people are jammed into one percent of the land area. Many of mankind's present day problems are magnified and aggravated by these heavy population concentrations. One result of the violence may well be that many of our people who have moved to our major cities and metropolitan areas may begin thinking seriously about returning to our smaller communities where life is more pleasant.

Many industries are decentralizing their operations and locating their plants in small towns and rural areas—providing jobs and opportunities to challenge our young people. In our District, we are seeing this occur—Douglas Aircraft, for example, has located five plants in our area at Carthage, Gainesboro, Monterey, Smithville and Sparta. Lockheed has located a plant in Shelbyville. Other industries are doing likewise. This is a national trend and should be encouraged.

It has been my privilege to join with those who have banded together in associations throughout our District to plan and carry out programs of growth and progress—programs to provide opportunities for our young people. The importance of broadening our population base and cutting and reducing the out-migration to our big cities has been declared a national policy by President Johnson. The Select Committee on Small Business is currently conducting hearings into the problems and progress of small town and rural areas. Leading officials of government have emphasized in testimony the importance of creating opportunities in smaller communities throughout America.

In this connection I have recently introduced a bill to provide tax incentives for businessmen and industrialists who locate plants in small town and rural communities. I have also recently recommended that the Federal Government establish circuit riding teams of Federal officials to travel throughout our rural areas, assisting our people in making applications for available, needed and essential programs of growth and development.

In our small towns people work together to achieve important goals and objectives. They love their communities—they have many friends throughout the community—they want to see their communities grow and prosper. This is the basic concept of a democracy—working together for the common good—and many experts tell us this concept has been eroded and lost in "the lonely crowd" of many of our metropolitan centers.

[From the Columbia (Tenn.) Herald, Sept. 23, 1967]

A WORD FOR SMALL TOWNS

How can the population pressures of the big cities be reduced?

By encouraging developments in small towns and rural areas, says Tennessee's Rep. Joe L. Evins.

Evins, whose House Select Committee on Small Business, has been holding public hearings on the erosion of small-town America, has an article in the September issue of Grange, a national farm publication. In the article he says:

"A comprehensive attack on the problem of pellmell urban population growth must include action to stimulate growth, in nonurban areas.

"Current conditions and increasing disorders in major cities around the country show clearly that urban overcrowding is producing a national crisis. The economic costs and the social costs of this population imbalance are growing more and more prohibitive."

Evins proposes two steps to help small-town and rural America and at the same time contribute toward making the urban centers "manageable and governable."

1. An additional 7% investment tax credit—plus 60-month depreciation allowances for new or expanded investment in job-creating plants and machinery in the non-urban areas.

2. Teams of federal agency representatives, with special training in explaining their services to rural leaders, to ride about the country in the manner of old fashioned circuit riding preachers.

Evins believes rural areas miss out on numerous federal programs because they do not understand them or do not have the facilities to file for them. Hence his idea of the circuit-riding information agents.

The congressman may have something. One thing is certain: if the movements of population from small towns to large ones continues throughout the remainder of this century, the prospect is that chaos is in store.

Mr. MORSE of Massachusetts. Mr. Speaker, I rise in support of the resolution introduced by my colleague from Michigan [Mr. RUPPE]. I am pleased to cosponsor this resolution calling for the establishment of a Commission to study the potential for balanced economic growth and development throughout the United States.

We are all aware of the urgent problems facing our cities. I do not believe we will have success in attacking these problems until we formulate a coordinated plan covering all the issues involved and employ all of the public and private means adequate to do the job.

A very necessary step in this effort is the important information which would come from the type of study proposed by this resolution. We need to know and understand fully the totality of economic imbalance in this country. We need to know the potential for a more orderly pattern of population growth on a national basis. With the continuous flood of Americans to the heavily congested urban areas, already difficult problems are quickly becoming critical. Public and private efforts are being made in one degree or another to attack the problems created by the existing economic imbalance, but we have insufficient understanding and an inadequate overall view of the imbalance itself. What are all of the pertinent factors in the relationship between economic growth and demographic shifts?

The result of economic imbalance is cities filled with more and more substandard housing, polluted air, crime, congested highways and overtaxed public transportation systems, rundown schools, and growing discontent among deprived minorities. The result in the nonurban areas is no better: declining incomes, limited job opportunities, and continued population exodus.

Surely the public and private sectors of our economy could do much to encourage population shifts into more productive channels. Surely, too, Federal programs and expenditures could be managed in such a way as to encourage greater geographic balance in the economic development of the country. But in order to organize and direct such programs wisely and effectively we need the kind of study proposed by this resolution. I urge my colleagues in the House to support it.

GENERAL LEAVE TO EXTEND

Mr. RUPPE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill which I am proposing today.

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

There was no objection.

THE PROPOSAL TO SELL SUPERSONIC JETS TO LATIN AMERICAN NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, I regret deeply the reported decision of the State Department to withdraw American opposition to the acquisition of supersonic fighter aircraft by Latin American countries.

Assistant Secretary of State Covey T. Oliver informed me of the State Department's inclination toward such a decision last week. I expressed my opposition to him at that time. I repeat it today.

The United States was right in trying to persuade Latin American governments not to spend scarce foreign exchange on any supersonic fighters. The United States was correct in working against the purchase of French-built Mirage V aircraft by Peru and Brazil.

The reasons for this position were and are sound. These planes are obviously unsuited for use against guerrillas. For this purpose, slower, more maneuverable planes and helicopters would be more useful.

At the same time, it is evident that Latin American governments are not attempting to establish a system of continental air defense against an outside aggressor.

These planes, designed for tactical use in conventional warfare, are available for one primary purpose: conflict among the Latin American States themselves. They cause an arms race entail-

ing expenditures far beyond what any of the countries can afford.

As one of the poor areas of the world, with a food deficit and a rapidly growing population, Latin America needs to devote its utmost effort to the development of its agriculture and industry and to the social programs which will make possible a better life for its people. In this, the Latin Americans need and deserve our aid.

Such a policy can build democracies and fight Castroism far better than all the guns and planes in our arsenal.

If, despite all our efforts, certain Latin American countries propose to buy aircraft from France, the United States should continue its opposition to the purchase both privately in diplomatic communications between the governments and publicly for all the world to see.

The United States should take the amounts spent by Latin American countries for armaments into account when determining the level or existence of American aid programs. I do not say that arms purchases, any more than any other single action which undercuts the self-help efforts which we have a right to expect of those countries, should result in a termination of aid. But arms purchases should be weighed heavily in determining U.S. aid.

What the United States above all should not do is sell out a fundamentally correct and moral position in order to gain some business as an arms supplier. What the French were about to do was outrageous. What we are about to do is contemptible. It is shameful as well as impolitic for the United States now to follow the bloody path of Sir Basil Zaharoff by purveying increasingly sophisticated weapons systems to poor countries. The military has been ruining these countries for years. We should stop playing their game.

Let us instead continue to refuse the sale of supersonic aircraft to Latin America, and to oppose any such transaction between the Latin Americans and the French or any others.

WATER FOR PEACE

Mr. MATSUNAGA. 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 Hawaii?

There was no objection.

Mr. PEPPER. Mr. Speaker, at various times considerable concern has been expressed about the ability of American companies to compete in world markets—especially against Japanese concerns and companies in countries of the European Common Market. I was most pleased, therefore, to note a recent press item reporting the success of one of our great domestic concerns, Westinghouse Electric Co., in underbidding companies from both of these areas in connection with the construction of a large water desalting plant in Saudi Arabia.

I have been especially interested in the water desalting program which our Government is carrying forward through the Department of the Interior. This is a program of worldwide implications, not only for our foreign policy objectives of promoting the peaceful development of the new and recently developing nations of the world but also for the development of the capabilities of our American companies to participate fully in the enormous market for goods and services which this awakening of the peoples of these nations portends. By providing an effective program of Federal promotion of these water desalting facilities, we enable our farsighted American companies to develop the capability to build these facilities and build them at costs competitive in the world market.

It recently was my privilege to visit one of these facilities in Key West, Fla., which is just south of my congressional district. This facility was built by Westinghouse Electric program and has proved highly effective in helping to meet the needs of Key West for more water than can be pumped to the island from the Florida mainland. The production of this facility is now about 2,600,000 gallons of water daily.

I was especially pleased therefore to learn that the Westinghouse Electric bid of $14,981,000 for the construction of the desalting and power facility in Saudi Arabia was below that of the competing Dutch and Japanese firms, as well as another U.S. competitor. This plant in Jidda will desalt 5 million gallons of water a day and produce 50,000 kilowatts of power. The Office of Saline Water, utilizing the knowledge which our program of Federal support far water desalting, is technical adviser to the Saudi Arabian Government for the project. I am pleased that the Office will have an opportunity, won on the basis of competitive bidding, to work with an American concern in developing this project and in developing the capacity of our country to be pioneer developers and manufacturers of this type facility.

COMMERCIAL BANKS SHOULD NOT HAVE THE POWER TO UNDERWRITE REVENUE BONDS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] 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 Hawaii?

There was no objection.

Mr. MULTER. Mr. Speaker, the debate on whether commercial banks should have the right to deal in revenue bonds has been thrashed out numerous times in the Congress since the passage of the Glass-Steagall Act of 1933.

Today it appears the Senate Banking and Currency Committee is looking favorably upon the banks' quest. Just last week the Financial Institution Subcommittee, of the Senate Banking and Currency Committee, reported out a bill, S. 1306, recommending that the commercial banks have such authority.

I wish to call to the attention of my colleagues the inherent dangers of reverting back to the abuses of the 1920's. It appears to me that commercial banks are engaging in many activities that are foreign to their true purpose. I read recently in a leading newspaper that one New York bank, in addition to selling lottery tickets, took 59 reservations for seats to the Jets professional football games. In many instances banks are engaging in services that they never dared to claim the authority to do before.

Many banks are now in the computer business. They rent out time on such equipment for nonbanking purposes. In many instances this service provides them with privileged information about other businesses leasing computer time.

A number of banks have set up full-fledged travel bureaus.

It is estimated that 1,400 banks across the country are promoting credit cards.

It is ironic that an industry which promotes fiscal integrity should be involved in one of the greatest fiascos of all time. Take, for example, the situation involving a number of Chicago banks who have taken a multimillion-dollar dunking on their foray into credit cards—though they are not saying so.

According to a newsletter published by the Research Institute of America, they reported as follows, and I quote:

> The race to capture the credit card market became a fiasco, earlier this year, when the banks mailed out unsolicited cards. Many of these went to newborn infants, "dummy" account names. Thousands of cards were stolen, retrieved from rubbish cans.

Another example of the bank interest in getting back into the investment banking business is the attempt by the First National City Bank of New York, which is the only bank in the country to sell interests in its own mutual fund. However, a Federal court in Washington recently voided the fund in a suit brought by the Investment Company Institute, a national organization of mutual funds. I noted in the October 12 issue of the Wall Street Journal that the banking industry is eyeing the mutual fund "reform bill," currently before Congress, as a vehicle for reestablishing a national bank's authority to operate mutual fund type accounts. Banking strategists in Washington are considering an appeal of the adverse lower court ruling issued earlier this year. This is another instance of the commercial banks attempting to circumvent the intent of the Glass-Steagall Act.

In St. Paul, a group of data processing centers are suing in Federal court to invalidate a ruling by the U.S. Comptroller of Currency that authorizes federally chartered "national banks" to perform such services.

In spreading its tenacles, the commercial banks are now roaring headlong into the mortgage banking business. Furthermore, where they are prevented by law from opening branch banks, they are forming a chain banking system. This is a practice whereby they purchase controlling interest in a number of independent banks.

With respect to S. 1306, which would permit banks to underwrite revenue bonds, is it not reasonable to assume that commercial banks, at some future date, will circumvent further the Glass-Steagall Act, and seek permission to underwrite corporate bonds? Now, when they achieve this goal, it will be natural to

obtain permission to go back into the underwriting of other securities, thus doing away with the clear intent of the Glass-Steagall Act.

The Comptroller of the Currency, Mr. Camp, in a speech he delivered at the recent American Bankers Association Convention in New York said:

Banks should not be excluded from any financial market which they may safely and prudently serve.

There are 40 law suits now pending against the Comptroller of the Currency to require him to enforce this law as Congress wrote it.

The threat to our American banking system through this concentration of power cannot be overemphasized. In the area of the general obligation bond business, the concentration of power lies in the hands of 10 of the Nation's largest banks, which were involved in the debacle of the 1920's.

AUTOMOBILE INSURANCE STUDY IS NEEDED

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] 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 Hawaii?

There was no objection.

Mr. RODINO. Mr. Speaker, I am very pleased that the House Antitrust Subcommittee has now completed a staff report on the subject of automobile insurance, the result of a study undertaken at the request of the gentleman from New Jersey, Representative CAHILL, and myself on June 30. At that time, mounting evidence convinced me of the need for such a preliminary study, and the report just issued confirms my view that a full-scale investigation of the situation is not only warranted but essential. As the subcommittee report states:

By any objective standard, the performance of the automobile insurance business in the United States is unsatisfactory. The system is slow and expensive, and the companies involved do a poor job.

Yet automobile insurance is certainly not a luxury, but a commodity required on a nationwide basis from an industry involving billions of dollars. It is, in my judgment, our responsibility to look into the problem to determine what steps must be taken if American citizens are to be assured of adequate automobile insurance at fair and reasonable rates. I include news articles from the Washington Star of October 17 and the Wall Street Journal of October 18 in the RECORD at this point, together with an analysis of the problem from Forbes magazine of October 15, 1967:

[From the Washington (D.C.) Star, Oct. 17, 1967]

HOUSE REPORT CHARGES FIRMS DO POOR JOB—ANTITRUST UNIT STAFF ASKS INVESTIGATION OF INDUSTRY BY FTC

(By Robert Walters)

The nation's automobile insurance companies generally "do a poor job" in serving the public, and should be investigated, according to a secret report prepared by the staff of the House Judiciary Committee's antitrust subcommittee.

The report, based on a three-month study, was distributed yesterday to committee members with a "confidential" classification.

The staff study calls for a full-scale investigation of the auto insurance industry by the Federal Trade Commission.

"The information set forth in this report shows that, by any objective standard, the performance of the insurance business in the United States is unsatisfactory," the report said.

"The system is slow, incomplete and expensive, and the companies and organizations furnishing this service to the public, in many respects, do a poor job," it added.

The preliminary investigation was commissioned last July 25 by Rep. Emanuel Celler, D–N.Y., chairman of the Judiciary Committee, who acted on a request from Reps. Peter J. Rodino, D–N.J., and William T. Cahill, R–N.J.

In a letter accompanying the subcommittee report, Celler emphasized that the study represented only the views of the staff but said there had been "mounting criticism of business practices in the auto insurance industry field."

PUBLIC GRAVELY DISTURBED

The veteran congressman said complaints received by his committee indicated "that a broad cross-section of the American driving public is gravely disturbed by allegedly unfair and arbitrary insurance company actions."

In recent months there have been mounting charges that auto insurance firms seek rate increases without sufficient cause, cancel policies arbitrarily, refuse to insure some drivers with little reason and "black out" large areas of some cities to preclude the sale of insurance to low-income families.

The House study, prepared under the direction of Kenneth Harkins of the subcommittee staff, is not expected to be released to the public until the committee has met and considered the recommendations for future action.

In the Senate, two additional staff studies are under way—one by the Commerce Committee and another by the Judiciary Committee's antitrust subcommittee.

As a result of the broad-scale congressional interest, both public hearings and efforts to revise existing statutes governing the multi-billion-dollar insurance industry are expected within the next few years.

Because the House study is the first to be released, insurance industry lobbyists have sought in recent weeks to convince committee members that it should not be made public. Both the American Insurance Association and the National Association of Independent Insurers have contacted committee members to present their case.

THREE POSSIBLE APPROACHES

The House subcommittee report said there were three possible approaches to conducting the full-scale investigation necessary prior to the drafting of any new legislation:

1. Establishment of a special subcommittee of the Judiciary Committee or a select House committee to conduct a one-year study. The report said such a committee would require $313,000 and the services of six attorneys, four economists, one actuary and four clerical assistants.

2. Establishment of a temporary governmental study commission of between 10 and 25 members, composed of both members of Congress and public representatives. Such an approach would require two to three years, the report said.

3. Congressional authorization for the Federal Trade Commission to conduct a "comprehensive investigation" over a period of two years.

CITES TURNOVER IN CONGRESS

Citing the problems of turnover within Congress and the lack of staff expertise on the subject in the House and Senate, the staff report recommended that the FTC conduct the probe. That proposal is subject to committee approval.

In a letter to Celler, FTC Chairman Paul Rand Dixon said the requested investigation would require an appropriation of $5 million if the entire insurance industry were to be the subject of the probe, and $1.5 million if the investigation were to concentrate only on the auto insurance industry.

Dixon estimated the services of 12 attorneys, 16 economists and accountants and 18 other staff members would be required for the study.

The committee report dealt only with auto insurance, but said that "it may be difficult to legislate fundamental changes in the system of regulation for the auto part of the insurance business without, at the same time, bringing about unforeseen and undesired results with respect to other types of the insurance business."

Despite that problem, the staff study said a further probe was necessary. It concluded that:

"The system that the auto insurance companies have developed in the United States to deal with accidental losses and injuries does not work well. For years there have been complaints that auto insurance company performance is unsatisfactory.

"The criticism extends from specific company practices, such as arbitrary and unfair cancellation and nonrenewal actions, to rejection of the basic premise, insurance against negligently caused losses, on which the present system of auto insurance has been erected."

The study said two policy decisions were involved, both posing "delicate questions that involve states' right and federal preemptive jurisdiction."

RESTRICTED APPLICATION

The first was whether there should be established a new system which would be "applicable to individuals who suffer economic losses and personal injury as a result of auto accidents."

The second was whether auto insurance firms should continue to enjoy protection from the federal antitrust laws. They secured such an exemption under the McCaren-Ferguson Act approved by Congress in 1945.

That law precluded all application of the antitrust laws to the insurance industry through June 1948 and provided that in succeeding years the federal statutes would be applicable only if the industry was not covered by state law.

Most insurance firms enjoy continued protection, but the House study found that state laws either are not enforced or are implemented only on a routine basis.

The report cited the "inadequacy of state regulation" and said a new investigation was justified because during congressional debate on the 1945 law it was agreed that "there should be a re-evaluation of insurance company supervision and activities in order to determine whether additional legislation was appropriate in the public interest."

[From Forbes magazine, Oct. 15, 1967]

THE GROWING STORM OVER AUTO LIABILITY

"Among the multitude of critics of our mores in America," Guy E. Mann, senior vice president of Aetna Life & Casualty, sighed recently, "many find it fashionable to criticize auto insurers." The fashion is not without foundation. In a motorized society, liability insurance is a must, a necessity, almost a utility. Yet it is getting more costly all the time—to a degree that inflation alone cannot account for the whole rise.

In Chicago a decade ago, it cost a family with an 18-year-old son who used their car

only for pleasure $107 to buy a package of liability insurance: bodily injury, property damage and medical. Today the cost is $244—up 128%. In Los Angeles the cost was $116. Today it's $201—up 73%. In Buffalo the cost was $141. Today it's $216—up 53%.

Those are what the casualty companies call "preferred" rates, available for the most part only to "clean risks," accident- and conviction-free drivers between the ages of 25 and 65. For higher risks—especially those under 25—the tariff will often run nearly double. In addition, there are many who find it difficult to buy standard coverage at any price, among them: Negroes and other minority groups, enlisted men in the armed services and a long list of almost 50 other occupational categories, ranging from professional athletes, barbers, barmaids and beauticians to stevedores and warehousemen.

THE LORD PROVIDES

Even clergymen and doctors have been having their problems. The agency guide of one big automobile insurance group, for instance, warns that "clergy-medicine . . . driving records are among the poorest. Both appear to drive when preoccupied with problems. The clergymen may drive with the attitude that 'The Lord Will Provide.' With doctors there is the possibility of use of the car in emergencies."

To a degree, the writers of the insurance, the fire-&-casualty insurance companies, are simply making an effort to pass on the higher cost of doing business. This has led to a tendency on the part of the carriers to pass the buck for the public's complaints. Unfortunately, it is not so simple. Auto drivers are also voters; they are not an underprivileged minority. Not surprisingly, therefore, politicians are beginning to sniff an issue. Congressman Gene Snyder (Rep., Ky.) recently told the House of Representatives about a woman "domiciled in my home state" who, though "married to a drunk . . . had liability insurance at standard rates.

"I suppose being a rather sober character herself and being of the right color and coming from the right neighborhood and working at the right job," the legislator continued, "she was able to get standard rates." However, Snyder continued, "she divorced the drunk. And when she did that, they raised the rates because she was a 'recent divorcee.' The premise was," the legislator added, "that she 'might' be going out with a boyfriend who 'might' be driving the car and they did not know the driving propensity of the boyfriend. I would suggest that they had better reason to know the driving propensity of the drunk to whom she was earlier married." This is only one of the insurance atrocity stories beginning to flood the CONGRESSIONAL RECORD.

VOTERS AND CONSUMERS

The 90th Congress, more than any other in recent years, seems to have made the startling discovery that consumers are also voters. It has become aware that auto insurance has become a social problem of awesome proportions, encompassing $9.2 billion in annual premiums, 78 million cars, 98 million licensed drivers and $12.3 billion in accident losses. "You should see the mail I'm getting," says Congressman William T. Cahill (Rep., N.J.). "Why should a serviceman with a spotless driving record just returned from Vietnam have trouble getting insurance? This is a gut issue."

Other legislators see it the same way (FORBES, *Dec. 1, 1966*); so much so, in fact, that almost everyone is trying to get into the act. First it was the Dodd bill. The measure was prompted by a rash of 80 insolvencies among companies that wrote high-risk insurance and left, at most recent report, 300,000 injured individuals in at least a score of states on the hook for $600 million in largely uncollectible claims. The bill, still in committee, would establish a federal kitty, financed by insurance company contributions, to guarantee payment on claims against carriers that go broke. The research that went into the bill, says one Congressional investigator, "convinced a lot of people here that all we were seeing was the top of the iceberg. That's when the federal camel began itching to get its nose under the regulatory tent that until now has been almost the exclusive preserve of the States."

JOCKEY HILL

Galvanized by Congressman Cahill and Congressman William J. Green (Dem., Pa.), the House Judiciary Committee has cranked out a soon-to-be-published report, in part designed to establish its primacy (as against the House Commerce Committee's) to investigate state regulation of the auto carriers. The report will probably raise some questions about rate-fixing and the exemption from the antitrust laws granted to the insurance industry by the McCarran-Ferguson Act of 1945. The same kind of jockeying is going on in the Senate, where both the Commerce and Antitrust Committees have also shown intense interest in the industry. The Transportation Department, at the instance of Senator Warren G. Magnuson, chairman of the Commerce Committee, has agreed to do a "pilot study" of the auto carriers. The Department was a bit slow in picking up the Magnuson option, a source says, because White House staff people suggested that auto insurance was a potential Great Society issue that Lyndon Johnson might want to preempt for himself next year when he will be running for reelection.

The industry itself is running scared, and rightly so. "Protecting insurance interests in the government arena is a complex and frustrating problem," says Aetna's Mann. "All predictions are that it will get worse." Auto insurance executives are deeply split over the question of whether there are any advantages to the legislative ground swell that may develop into broader federal regulation. But the problem goes even deeper than questions of regulation. Many experts today argue that the traditional system of negligence liability is so inherently wasteful that it ought to be junked.

COMMON DILEMMA

All of the pressure suggests that the auto insurers are caught on the horns of the same dilemma that impaled the auto producers and drug manufacturers. The former got hung up on the burning issues of air pollution and highway safety; the latter on high drug costs, most recently marked by the drive to make generic-name drugs available in place of costly branded items. The dilemma: either to move with social pressures, perhaps at the cost of the profit-and-loss statement; or to defend the status quo, usually at the cost of a blackened image—and ultimate capitulation.

"I can sympathize with them," says a Transportation Department official. "In this mixed economy of ours we expect them to act like businessmen and at the same time to respond with heightened social consciousness to people who can be pauperized by an auto accident. It's not an easy row for an insurance executive to hoe."

The insurance industry can defend rising rates with ample statistics. They boil down to two elements: inflation and the rising accident toll. The number of vehicles on the road has increased by about 45% in the last ten years, and, as State Farm Mutual Insurance President Edward Rust notes, "Frequency of accidents increases with the square of traffic density." Since 1957 deaths by accident have increased 36.9% to 53,000; injuries by 74% to 4.4 million. "Our average claim cost," says Rust, "is just going up 5% to 7% a year. You have to stop and figure the things that have to be paid for when there's an accident. Medical costs, of course, have snowballed. Repair costs have snowballed." Since 1958, according to the National Bureau of Casualty Underwriters, the average paid bodily injury claim cost jumped from $981 to $1,296, the average paid property damage claim cost from $151 to $221. Part of the repair cost stems from the more complex designs that car-makers push and buyers seem to prefer.

HANKEY-PANKEY

There is also the problem of outright fraud. Says a vice president of a west-coast insurance company, "There's too much hankey-pankey going on with injured individuals, attorneys and doctors." Further, he says, there is plenty of room for much tougher driver licensing requirements. "There are too many drivers on the road who are incompetent. We'd never give these people hunting licenses. We just had a case of a woman involved in an accident whose right leg was paralyzed," the vice president continues. "In order to stop, she had to take her hands off the steering wheel, take her foot off the accelerator, and press both hands on the right leg to slow the car down. She never divulged this to the insurance company or to the Department of Motor Vehicles."

The industry insists that "drivers make rates," and to some extent this is true. "As far as costs are concerned," says California Insurance Commissioner Richard S. L. Roddis, "it's the frequency of accidents rather than the amount of unusual awards that's really the significant problem from the rate standpoint. These million-dollar payoffs are dramatic, and they're probably bad things," he continues, "but it isn't the handful of big cases that really have the tremendous effect; it's the aggregate of all the dented fenders and broken windshields and bashed-in front ends and minor injuries that are the bread-and-butter rate."

The figures also show that the industry is not exactly coining money. Last year premium volume on all kinds of auto insurance topped $9.2 billion (compared with $6.4 billion in 1962) and that by any standard is sizable growth. Last year, however, was the first year since 1962 that the industry reported an underwriting profit—a slim 1% on premiums. Over the past decade, the Insurance Information Institute maintains, "insurers have suffered underwriting losses of more than $1.5 billion on auto liability insurance alone."

The situation is not, of course, as bad as these carefully segregated figures suggest. The companies also have investment income and an agreeable degree of tax shelter (*see table*). In a number of state rate proceedings, including Maryland, Virginia, Ohio and Pennsylvania, the question has been raised as to whether the statutory bookkeeping formulas designed by the states square with generally accepted accounting procedures. For one thing, these accepted formulas usually charge acquisition costs when incurred, even though the policy runs over a period of time. They also permit the companies to set up reserves for loss claims that have not been reported but which the companies think will be.

Most important of all is the question of investment income. Premiums are paid in advance. Thus the companies have use of the money. They also have the use of reserves. Both of these they invest and earn a return. All in all, in recent years investment income for the sixteen top companies has been running at an annual rate of about $1.7 billion—not only covering insurance losses but yielding a sizable profit for stockholders of most companies. In short, auto insurance is not quite as rough a business as most of the companies make it out to be.

THE TRUE VILLAIN?

The fact remains, however, that over-all profits are clearly not excessive, running on an adjusted basis to not much more than 6% on stockholders' equity. Why, then, have rates soared so? Some critics—and they are

increasingly heard today—feel that the real villain is the negligence-claim system itself, a system so intrinsically wasteful, they maintain, as to be an albatross around the neck of policyholders, accident victims, investors and the casualty companies alike. What is needed is basic reform. "There is a strong, growing argument that a claims system based on fault is out of date and inherently defective as a means of reimbursing accident victims," says James R. MacKay, vice president of the Fireman's Fund American Insurance Companies.

Much of the argument has polarized around the proposals of Robert E. Keeton, a Harvard University law professor, and Jeffrey O'Connell, a University of Illinois law professor. Their position is that the whole system of insurance payments ought to be shifted to a workmen's compensation-like approach where anyone who has been injured by an auto should be reimbursed for medical costs and wage losses whether he was responsible for the accident or not.

The Keeton-O'Connell proposals contain many elements, it is true, that the industry has long discussed. But put into a package, and advanced at a time of such outcry about rates and cancellations, the proposals are getting serious attention today. Insurance Company of North America, for instance, in an advertisement in the *New York Times* last week, strongly recommended adoption of something along the lines of Keeton-O'Connell.

The first legislative test of the plan recently came into Massachusetts. A bill based on these proposals passed the House but was voted down in the Senate. At least three other states—California, Michigan and New York—are looking into the merits of Keeton-O'Connell or variations on it, and others are likely to follow suit.

In their book *Basic Protection for the Traffic Victim: A Blueprint for Reforming Automobile Insurance,* the law professors clearly state their case. It is that, given the complexities of memory and the blur of high-speed automobiles, it is almost impossible to fix the blame on any one person in many accidents. Theoretically, if there is no blame, there is no insurance payoff. That concept, however, goes against the grain of the overriding social need to make whole anyone who has been injured without bankrupting anyone who is putatively at fault.

The problem under the traditional fault system is that a good deal of high-cost legal effort goes into the business of trying to fix blame on the one hand, and to defend against those same efforts on the other. This is good for a class of lawyers but rough on the rate-paying public.

It is in the nature of the present relationship that the claimant will try to squeeze as much cash out of the situation as he can, and that the insurance company will try to pay as little as it can. The first consequence in many cases, says the vice president of a west-coast insurance company, is an inflated medical bill.

"Many doctors and attorneys," the executive says, "have a working relationship. Strangely enough, you'll always find a given attorney's clients are treated by the same doctor. If you go to a certain doctor first, you'll always wind up in a certain attorney's office."

The Keeton-O'Connell plan would exorcise what the former has called "powerful temptations to dishonesty" by vaporizing the "third-party" relationship: An accident victim would look to his own insurance company for the routine payment of whatever his direct losses are—up to a maximum of $10,000. He would have the right to go to court only for losses in excess of that amount.

One aim of the plan is to cut litigation costs on both sides by keeping all but the biggest claims out of the courts. "Most disputed cases, by far the great majority," according to Keeton, "involve injuries that are not severe, and in these small cases it often happens that more is spent in fighting than the claim is worth if valid. Added to this, of course, is a fortune in tax dollars used to maintain the courts whose time is consumed by these cases." Legal costs are one of the reasons why, Keeton adds, "less than 50 cents of the auto liability insurance dollar ever reaches the hands of any injured person."

Keeton and O'Connell maintain that other savings (deductibles for medical payments made on Blue Cross policies, for example) would enable the casualty companies to make substantial cuts in rates. They have got corroboration on that score from consulting actuary Frank Harwayne, who estimates that their "Basic Protection Plan" could pave the way for premium reductions of 15% to 25% in New York State, for example, and rollbacks of 19% to 25% in Michigan.

Harwayne's projections have been challenged as overly optimistic, and executives such as James S. Kemper Jr., president of the Kemper Insurance group, have raised a good many other objections. Among them:

The question of equity if the fault concept is dropped. "Is it equitable to pay benefits to the drunken driver, the convicted felon fleeing from his crime, the drag racer and the multiple accident repeater," asks Kemper, "and deny full recovery to innocent victims such as housewives and children whose *economic* loss will be limited mainly or entirely to medical bills?"

Doubt that claims payments would be speeded up, because the plan encompasses many variables, such as "collateral source payments, claimant income levels, extent of rehabilitation and recovery."

Interstate legal complications and competitive pressures on small companies.

Undoubtedly, there is a considerable vested interest in the present system: High rates mean high commissions for agents; even more, they mean high fees for a handiful of highly successful negligence lawyers. Significantly, the defeat of the bill in the Massachusetts Senate, Keeton says, "came after the public opposition of the personal injury lawyers."

But the insurance industry is being extremely shortsighted if it thinks that it can ignore growing public dissatisfaction with the present situation. As James MacKay of Fireman's Fund recently warned a group of insurance agents, "If there is a collision between our private interest in rates high enough to cover losses, and the public interest in higher loss payment without higher costs, then we must not be so naïve as to assume the public interest will not prevail."

FIRE AND CASUALTY COMPANIES: A STATISTICAL PROFILE

[Listed below are the 16 largest publicly held casualty companies. Over the last 5 years, these companies[1] earned over $1,500,000,000 in investment income; incurred a statutory loss of some $500,000,000, but paid only $60,000,000 in taxes]

Company	Growth, 1966 over 1961 (percent)			Profitability, 5-year totals in millions				Stock data			
	Premiums written	Investment income	Capital and surplus	Premiums earned	Investment income	Statutory underwriting profit	Income taxes	Recent price	1966–67 price range	Indicated dividend	Yield (percent)
Continental Insurance	79.0	40.3	−3.3	$2,879	$269	−$49	$9	82½	89⅜—65⅛	$3.00	3.6
Insurance Co. of North America	51.0	56.4	14.4	2,575	222	−44	8	60¼	90½—59⅞	2.40	4.0
Hartford Fire Insurance Co	45.4	64.4	17.0	3,198	190	−41	2	25¼	40¼—24¾	.92	3.6
Allstate Insurance Co	76.2	74.6	28.8	3,404	165	104	63	(2)	(2)	(2)	(2)
The Fund American Cos	120.0	111.5	49 2	2,490	140	−69	6	30⅜	39⅜—28	1.50	4.9
Continental Casualty	52.3	88.6	17.6	2,780	146	−90	6	56	58⅞—35	1.50	2.7
U.S. Fidelity & Guaranty	46.6	68.8	54.1	1,836	112	−15	2	54	68¼—50⅛	1.60	3.0
The Home Insurance Co	80.4	48.3	−11.5	1,823	118	−94	(3)	31¾	38⅝—29	1.40	4.4
St. Paul Fire & Marine	49.2	60.4	29.9	1,052	74	6	4	66½	82¼—61¾	1.68	2.5
Great American Insurance	40.2	41.4	2.4	994	80	−52	1	61⅛	66⅛—46¼	2.80	4.6
Reliance Insurance	52.5	87.2	70.4	987	58	−19	4	31¾	43 —30½	1.60	5.0
Federal Insurance Co	53.6	42.3	15.8	528	43	13	7	46½	68½—45	1.50	3.2
General Reinsurance	84.3	80.6	32.7	511	36	2	5	262	300 —205	2.00	.8
Glens Falls Insurance	40.0	62.0	−8.9	630	31	−39	(4)	42	55 —31	1.00	2.4
American Re-Insurance	87.4	66.6	58.3	521	28	−19	1	44½	64 —45¼	1.70	3.8
United States Fire Ins	53.1	54.2	−7.8	457	31	−21	4	40¼	46 —27	1.60	4.0

[1] Excluding Allstate Insurance Co.
[2] Wholly owned by Sears, Roebuck & Co.
[3] None.
[4] Less than $500,000 paid.

[From the Wall Street Journal, Oct. 18, 1967]

AUTO INSURERS HIT IN STUDY BY HOUSE PANEL, WHICH THEN JUST CALLS FOR INQUIRY BY FTC

WASHINGTON.—The auto insurance industry took another round of verbal pummeling on Capitol Hill. But the prospects for any legislative follow-up to the political harrangue remain distant and unfocused.

The staff of the House Judiciary Committee, after a two-month study ordered by its chairman, Rep. Celler (D., N.Y.), concluded that "by any objective standard, performance of the automoblie insurance business in the U.S. is unsatisfactory."

Current arrangements for compensating accident victims, certain sales practices, and instances of discrimination among prospective buyers on racial and occupational grounds were all singled out for criticism. Existing state-level regulation of auto insurance company rates and financial soundness was also found to be "inadequate" in many states.

As with the growing number of Congressmen who have leveled similar charges on their own, however, the Judiciary panel staff was in something of a quandary as to what should be done. After weighing several possible ways to proceed, the staff reportedly ended up calling for a further investigation by the Federal Trade Commission.

A further "substantial body of factual information should be collected" before any legislation is initiated, the committee staff report advised. The FTC was deemed the best agency to do the collecting because of its existing "machinery" to conduct economic studies.

If the FTC ever gets the assignment, however, it will be only after lengthy Congressional wrangling. The staff recommendation merely adds to a welter of investigative proposals already being promoted, both by key members of the House Judiciary unit and elsewhere on Capitol Hill. Reps. Rodino (D., N.J.) and Cahill (R., N.J.), who joined in urging Mr. Celler to order the staff study, both favor keeping any follow-up probe in the hands of a Congressional committee. Chairman Magnuson (D., Wash.) of the Senate Commerce Committee, on the other hand, has already prodded the Transportation Department into making preliminary inquiries with a view toward a full-dress study starting next June.

President Johnson according to some lawmakers who've been eyeing auto insurers critically, may well bring order out of the growing confusion by recommending his own study plan. The Transportation Department and the FTC would probably both be harnessed if the White House decided to seize the issue. But even if such an interagency plan for proceeding is developed, the guessing on Capitol Hill is that legislative recommendations are several years away.

"The actuarial work and regulatory analyses needed to lay a firm foundation for any major overhaul of auto insurance regulation represents a mammoth undertaking," said an aide to chairman Magnuson of the Senate commerce unit. The FTC, when queried by House judiciary staff members, figured it would need at least two years to do the job.

The only legislation considered to stand much chance of moving in the interim is a bill setting up a Federal reinsurance corporation to provide auto insurance holders the same sort of protection against insurer insolvency that the Federal Deposit Insurance Corp. offers bank depositors. All auto insurers operating in more than one state would be required to put money into the reinsurance pool under a bill that Mr. Magnuson intends to push in the Senate commerce unit next year. Rep. Moss (D., Cal.), chairman of a House subcommittee on finance, also is sponsoring the measure.

Acquisition by the press of the House judiciary staff study yesterday enraged Chairman Celler and other senior panelists. They had intended to keep it secret until the full committee could reach agreement on how to proceed. Confidential copies were distributed to the 33 panel members on Monday to permit private consultation on its contents with insurance companies and insurance commissioners in their home states. And it's by no means certain that a committee majority, following such consultations would have opted for taking any further action.

"The leak was clearly designed to pressure us into hasty action, and I for one don't like it," charged one Republican panel member.

STUDY RAISES QUESTIONS

The staff study, intended primarily for the members' guidance, deliberately raises a lot more questions than it squarely answers. The two most fundamental queries are:

—Should the broad exemptions from Federal regulation and application of the antitrust laws that the insurance industry currently enjoys be continued?

—Should insurance awards to victims of auto accidents continue to be based, as now, on legal determinations of liability for a collision, or should victims be compensated by their insurer without regard to who is at fault in an accident?

While the report's authors don't answer either question directly, they clearly lean toward Federal assumption of some regulatory role in the insurance field, and toward at least blending in, if not converting to, compensation of victims without regard to who is at fault.

The report lists numerous alleged industry practices that "need further investigation." Among them are: Reported efforts to tie the sale of auto insurance to the sale of other lines of insurance, and allegations of profiteering by insurance company sales agents who bill purchasers for more than the actual premium.

In evaluating the work of state insurance commissions, the staff study says "a number of factors point to the inadequacy of state insurance regulation. Many state insurance commissioners are ill-trained, have inadequate staffs and are far too dependent on the insurance industry for the data on "which they make rate and financial responsibility determinations."

LIFE CALLS FOR BOMBING PAUSE

Mr. MATSUNAGA. 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 Hawaii?

There was no objection.

Mr. OTTINGER. Mr. Speaker, the current issue of Life magazine contains a thoughtful editorial calling for the United States to take the initiative in a pause in the bombing of North Vietnam. In so doing, Life makes a perceptive analysis of the military and political ramifications of such a pause, acknowledging that it may offer some temporary benefit to North Vietnam and that a cessation of the bombing may not produce the negotiations which could end the war.

However, Life also points out that as long as a possibility exists that a bombing pause could result in deescalation of the war and meaningful negotiations, it should be attempted. The editorial notes:

The fact that Hanoi will not promise anything in advance, in return for a bombing pause that hasn't happened yet, does not necessarily foreshadow their actual reaction to a pause that has gone on, say, for several weeks.

The editors of Life are to be commended for a well-balanced discussion of the issues we face in Vietnam and for advocating a policy which has been so stubbornly and vociferously resisted by the administration. I sincerely hope President Johnson and his advisers give the Life editorial their serious consideration; and I present it herewith for inclusion in the RECORD.

THE CASE FOR BOMBING PAUSE, No. 7

Six times in 32 months of bombing North Vietnam, the U.S. has held its fire. Three times it was for a brief holiday respite. The three other bombing pauses were ordered to allow Hanoi to signal a willingness to talk peace. No clear signal came. Then, three weeks ago, President Johnson announced the U.S.'s willingness "to stop all aerial and naval bombardment of North Vietnam when this will lead promptly to productive discussion." Hanoi came back with its standard reply: the U.S. must stop bombing "unconditionally," and North Vietnam will promise nothing in return.

Notwithstanding, we believe it would be worthwhile for the U.S. to take the initiative in another bombing pause. We think the U.S. should declare a respite in the attack against the areas north of the battle zones, confining bombing to the Ho Chi Minh Trail complex in Laos and to the southern provinces of North Vietnam, the immediate rear of the enemy forces pressing against the DMZ. There should be no publicly announced "conditions" that carry the whiff of an ultimatum. But this should not be a commitment to stop the bombing indefinitely. In taking this diplomatic and political initiative, the U.S. administration would have clearly in mind the kind of North Vietnamese response we would consider constructive, and how long we were willing to wait for it.

In advocating a bombing pause, with no advance promise of any reciprocal move by North Vietnam, we must acknowledge that almost all U.S. military opinion opposes such a course. The U.S. would be reducing pressure on the enemy, and that is not ordinarily the way to win a war. This, of course, is not an ordinary war. U.S. bombing is in a sense a reprisal against the North for the destruction and terrorism the Vietcong work in South Vietnam. Bombing damage and strain is an important price the North is forced to pay for continuing its support of Communist aggression in the South. The more direct military benefit for the U.S. and our allies is, of course, the interference with the flow of men and materiel from the North. There is much argument as to exactly how effective the bombing is, but in stopping most of it, we would unquestionably be giving up a weapon of some value.

Life believes, however, that the benefits of a bombing pause at this time outweigh the short-term military cost:

There is a remote possibility that a pause now could be the first step toward an acceptable diplomatic settlement of the war.

There is a strong probability that a bombing pause would improve the posture of the U.S. in Vietnam, in the eyes of many other nations and indeed of many Americans, and thus ultimately improve our chances of achieving our purposes in Vietnam.

As to the possibility of a pause leading to meaningful negotiations, Secretary Rusk tirelessly points out, "I have yet to hear anyone tell us that if we did stop the bombing they could definitely deliver Hanoi to the conference table. I have asked a number of governments, 'All right, if we stop the bombing, what can you deliver?' I get no response."

Hanoi itself has denounced past bombing pauses as U.S. "hoaxes." There is a danger that they would take a new bombing pause as a sign that the U.S. is caving in. There is considerable precedent in Communist diplomacy for *raising* your terms when the other side offers any concession.

Yet there do come times in wars when belligerents change policies and positions, sometimes shortly after swearing they never would. The fact that Hanoi will not promise anything in advance, in return for a bombing pause that hasn't happened yet, does not necessarily foreshadow their actual reaction to a pause that had gone on, say, for several weeks. Such a pause could stir up hopes all over the world, including the East European branches of Communism, and could put considerable diplomatic pressure on Hanoi. Probably Hanoi would say No again, to everybody—Canada, India, Denmark, U Thant, etc. But it is worth finding out.

The more weighty reason for a bombing pause is to recapture support for the U.S. presence and commitment in Vietnam. The bombing has isolated the U.S. from most of its friends and allies throughout the world (there are a few stout exceptions in Asia), and in this country the bombing is the focus and catalyst of most of the opposition to the war. There is the "bully" image—the most powerful nation on earth pouring World War

II-scale bomb loads onto a primitive little country. The U.S. has never been bombed; countries that have been tend to identify with the targets rather than with the bomber crews.

The fear that the bombing might bring China into the war, even bring on nuclear war, naturally increases as the U.S. goes after North Vietnam targets which are only 60 seconds' jet-time from the China border. It may be foolish of so many Japanese, Indians, Indonesians, etc., to worry about this. But they do.

In the U.N., over 30 non-Communist nations, among them several of our NATO allies, have now advocated stopping the bombing (with many variations of formula as to "conditions" or no-conditions). Perhaps the most thoughtful proposal was the Canadian suggestion of a bombing halt followed by restoration of the DMZ's neutralized status under international inspection. In later phases of the plan would come freezing of military "capabilities" throughout Vietnam and an eventual cease-fire.

Naively or not, many millions of ordinary citizens, and not a few ambassadors, foreign ministers and U.S. senators, think a bombing halt *could* lead to peace in Vietnam, and they are increasingly critical of the U.S. for not trying it again. If we did try it for a reasonable time, accompanied it with an energetic diplomatic probing, and then nothing came of it, the air would have been cleared. Support for a resumption of bombing, even for an escalation, would be stronger than for our present policy. But much would depend on what the Administration said about the new policy, and how it said it, not just to Hanoi but to the U.S. and the world.

Life believes that the U.S. is in Vietnam for honorable and sensible reasons. What the U.S. has undertaken there is obviously harder, longer, more complicated than the U.S. leadership foresaw. And in 1967 we are having another hard, complicated year out there. There is the encouraging fact of the Vietnamese elections, small blemishes and all; there is straight military progress; but there is the maddeningly slow work of translating these advances into pacification at the "rice-roots level." We are trying to defend not a fully born nation but a situation and a people from which an independent nation might emerge. We are also trying to maintain a highly important—but in the last analysis not absolutely imperative—strategic interest of the U.S. and the free world. This is a tough combination to ask young Americans to die for.

Home-front support for the war is eroding. One may discount some maneuvering among U.S. politicans as 1968 politics, but even the most patently partisan of these noises represents somebody's rather professional judgment of how the voters are feeling.

Life has more than once expressed its admiration for the Johnson administration's coolness and courage in its Vietnam policy. In action the President himself has shown a remarkable blend of resolution and restraint. But in articulation of the policy—which in the end is inseparable from policy itself—the President and his administration have become more and more glaringly unsuccessful.

The President is said to be subdued these days, inclined to "hunker down" and let the Vietnam criticism beat over him. Dean Rusk is infinitely patient and courteous in explaining to critics and questioners "Your quarrel is really with Hanoi." A confusing circumstance is that the other most influential Cabinet officer, Robert McNamara, clearly is less convinced of the efficacy of bombing the North than are the Joint Chiefs of Staff, or Rusk. Nothing inspiring or eloquent and not much that is simply informative is being said from Washington.

We believe the Administration very soon must act—and speak—to recapture domestic political and intellectual respect for its Vietnam policy and to rally more diplomatic and moral support abroad. We believe the initiation of a bombing pause is a gesture of forbearance and conciliation which might accomplish that. America has the strength to do it.

CITIZEN OF EL SALVADOR DESIRES ENLISTMENT IN U.S. ARMY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] 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 Hawaii?

There was no objection.

Mr. CASEY. Mr. Speaker, a few weeks ago, a young citizen of El Salvador quit his job and traveled nearly 4,000 miles to my home in Houston with one burning ambition in mind.

Ernesto Beltran, 21, wants to repay the United States for its help to all of Latin America by enlisting in the U.S. Army and fighting our country's enemies.

Unfortunately, Mr. Beltran's hopes are strangled in redtape.

Here on a 30-day visitor's visa—the Army is precluded by law from accepting his application of enlistment. Reporters learned of the young man's efforts and wrote a heart-warming story of his hope to repay a debt of gratitude to our country. Many people rallied to the young man's side, and I was called on to help in slicing through the redtape.

After contacting sources here, I suggested to his friend and counselor in Houston, Mr. Mose Y. East, 6515 Hillcroft, whose wife is a native of El Salvador and both of whom knew Mr. Beltran personally, that the young man seek a 6-month extension of his visitor's visa and request the Houston draft board to induct him. The visa extension request, unfortunately, was denied.

Today, in a last effort to help, I have introduced a private immigration bill on behalf of Mr. Beltran, and I earnestly hope that it opens the door to his dream.

Here is a young man who worked and saved for years to make a dream come true. Here is a man, in my opinion, that any country would be proud to call citizen. And here is an example that the bearded beatniks of Oakland, Calif.—or the hundreds expected here to disrupt the Pentagon this weekend—could well heed and imitate. It is sad, indeed, that we cannot exchange a few of ours for a few more like Ernesto Beltran.

As Mr. East told news reporters, in describing Beltran as a young man of high ideals and strong character:

> I don't see how anybody could go wrong helping a kid with that much guts.

Mr. Speaker, I certainly agree.

FOOT DRAGGING IN WASHINGTON: THE UNFAIR HOUSING AUTHORITY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BURTON] 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 Hawaii?

There was no objection.

Mr. BURTON of California. Mr. Speaker, the efforts of a number of our colleagues to bring about a greater degree of equal opportunity in the purchase of housing are recorded in a recent issue of Commonweal, a distinguished weekly publication devoted to reviewing public affairs, literature, and the arts.

This article by Jonathan Eisen describes in some detail the activities by certain Members of this House aimed at implementing effectively the Executive order issued by President Kennedy in 1962 which directed the Federal Housing Authority to "take all action necessary and appropriate to prevent discrimination because of race, color, creed or national origin."

The Commonweal article follows:

FOOT DRAGGING IN WASHINGTON: THE UNFAIR HOUSING AUTHORITY

Senator James O. Eastland of Mississippi, interestingly, has become the latest sponsor of a fair housing bill. In an effort to assure that the relatively mild bill for the protection of civil rights workers which has passed the House would not become law, Eastland would have his Senate Judiciary Committee append a fair housing measure to it, thereby virtually guaranteeing its defeat.

That the inclusion of a fair housing provision is still enough of a kiss of death to appeal to Senator Eastland indicates the intractibility of the problem.

Fair housing is one area of the civil rights battle that has scarcely been touched by federal legislation or Supreme Court decisions. The Court did rule against the overt bigotry of restrictive covenants (Shelley v. Kramer); and Title VI of the 1964 Civil Rights Act bans discrimination in federally-assisted programs. However, it specifically excludes insurance programs, which account for most government activity in housing.

Ironically, housing is probably the one area where a real degree of integration might be achieved almost overnight. Meaningful integration of local schools has been drawn out to a snail's pace, almost always contingent on agonizingly slow neighborhood integration. And, unlike education or employment, equality in housing does not require that the massive legacy of denied opportunity and deficient training first be overcome. More decent low and middle income housing, of course, is also a necessary condition, but the availability of existing housing on the basis of genuine equality of opportunity could do much to loosen the stranglehold on the ghetto Negro.

Several schemes to increase the number of low and middle income units have been offered to Congress this year. These range from measures to expand federal programs in public housing, to the Percy and Kennedy private incentive bills, to more money for rent supplements and urban renewal, to beefed-up FHA authority. President Johnson, moreover, has instructed the Department of Housing and Urban Development to produce its own private incentive bill.

One such effort, co-sponsored by three liberals on the House Subcommittee on Housing, includes an indirect fair housing provision. By prohibiting federally-insured banks from making mortgage loans to persons who fail to give legally enforceable nondiscriminatory pledges, the measure would reach over 70 percent of the housing market. The sponsors of the bill, Congressmen Reuss, Moorhead and Ashley, feel that this approach would resolve the constitutional objections raised by Senator Dirksen and others in connection with a blanket fair

housing law. The cutting edge of the bill is the authority of the federal government to impose conditions for its banking insurance. This provision would, in effect, extend President Kennedy's Executive Order of November, 1962, which prohibits discrimination in housing built with federal assistance. This was the famous "stroke of the pen," which Kennedy as candidate had challenged Eisenhower to enact (Kennedy was widely criticized in turn for waiting nearly two years before signing such an order himself.)

The Kennedy Order affects between 15 and 20 percent of the new housing market. It also applies to some 50,000 properties acquired by FHA annually through mortgage default, which are then sold for FHA through commercial brokers who are required by the Order to sell on a non-discriminatory basis.

Since 1962, the effect of the Order has been practically nil. FHA sees itself essentially as a business agency, and is extremely anxious to remain on cordial terms with its clients, the housing industry. FHA itself is an employer of former real estate men and insurance salesmen. Its first constituency is the industry, its second the white suburban buyer. As usual, the Negro comes last, if at all. Although it was conceived to help provide housing for those unable to afford conventional mortgages, FHA has been principally responsible for the postwar boom in suburban housing; it is not unusual to see advertisements for $30,000 houses offering FHA loans. Though now nominally under the Department of Housing and Urban Development, FHA in actuality continues to function almost autonomously.

Although the Order requires FHA to "take all action necessary and appropriate to prevent discrimination because of race, color, creed or national origin," FHA has interpreted this to mean only the provision of redress for buyers who encounter discrimination. Unfortunately, Negro buyers who have the sophistication and determination to press complaints in the face of repeated and humiliating efforts to dissuade purchase are a tiny minority of those discriminated against. At best, a case will end with an informal hearing and the admission by the builder that a "misunderstanding" occurred: FHA seldom invokes sanctions or even has follow-up spot checks.

To the extent that the Order is enforced at all, it is done through the efforts of voluntary fair housing groups. One such group, the American Friends Service Committee, recently released a comprehensive "Report to the President on Equal Opportunity in Housing," which has received little public notice. The report is a blistering and fully documented critique of FHA and the Veterans Administration, concluding that: "Executive Order 11063 is being widely and flagrantly violated by builders, brokers, and lenders . . . Implementation of the Order by the Federal Housing Administration (FHA) and the Veterans Administration (VA) has at best been ineffective and at worst subversive of the goal of equal opportunity in housing." Secretary Robert C. Weaver responded to the charges by citing a number of changes pending but in no way did he dispute the findings of the Report.

Happily the case apparently has not stopped with this confrontation and admission. Most recently FHA has come under growing criticism from a bipartisan group of House liberals, led by Manhattan Democrat William Fitts Ryan who called an informal hearing to deal with the enforcement of the Executive Order. Ryan himself had been central in the effort to pressure the Pentagon to declare off-limits certain off-base housing whose owners practiced discrimination against Negro G.I.'s. The conclusions drawn by Ryan's group correspond closely to the findings of the American Friends Report. It found that in fact the Order is "being enforced on a case by case method, and on the initiative of the complainant." Even the reform proposed, which would require the FHA to intercede on behalf of a minority buyer, "remains merely an embellishment on the case method."

Most important is the Ryan group's recommendation that FHA make non-discriminatory housing a matter of policy, as the Executive Order designated. The Congressmen's report recommended that "instead of merely requiring that proven discriminators take 'affirmative action' to get back into the FHA's good graces, FHA might well require that advertising of all housing provided with FHA assistance refer to the equal opportunity policy. On-site posters could also be required making the policy clear." FHA takes the position that this requirement would alienate the industry and damage FHA's position, which seems itself an acknowledgment that discrimination in housing is pervasive and that present FHA policies do not remedy the situation.

The likelihood of even an indirect fair-housing bill's being passed this year is remote. Rioters will not be rewarded, in the current argot of bigotry. Moreover, since FHA is unwilling or unable to enforce the existing Executive Order, whose mandate is clear, the fate of a blanket fair housing law would probably be similar.

Ryan's group has begun in a small but perhaps significant way to expose foot-dragging on the part of a government agency charged with a responsibility it refuses to carry out. The problem of the enforcement of non-discriminatory statutes which could thwart racist practices is immense, to some extent, no doubt, because of the evaporation of interested constituencies. Ryan in effect has begun what may become a Herculean effort to move a bureaucracy entrenched in practices which encourage further ghetto uprisings and which continue to make a mockery of our highest statements of policy.

JONATHAN EISEN.

INNOVATIONS IN LEARNING: BILINGUAL EDUCATION

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BROWN] 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 Hawaii?

There was no objection.

Mr. BROWN of California. Mr. Speaker, in my opinion, there is no greater tool for forging progress in the hands of our citizens than the possession of a good education. In a society so highly competitive as ours, to be without the benefits of a good education is to face a dismal future indeed. The correlation between lack of education and poverty is too plain to deny. Inadequate education, in most cases, means deprivation—poor nutrition, dilapidated housing, unhealthy environment, and lower-income status. And, as we well know, this tragic cycle can and does repeat itself all too often.

We must continue our efforts to break this vicious cycle of poverty and waste of human resources. One major way we can accomplish this, is to implement a program of bilingual educational instruction wherever it is applicable and desired in this country.

The focal point of my remarks here today is upon bilingual education, but I want to stress that we should be concerned primarily about the thrust toward a larger goal. I am speaking about the participation in and sharing by some 20 percent of our fellow citizens—the dispossessed and destitute—in the overabundance of America. Our immediate aim is to provide these disadvantaged Americans, through the use of such innovations as bilingual education, with the necessary tools to break their cycle of poverty and alienation from public affairs.

Who is in need of bilingual education and for what purpose?

Current estimates suggest there are over 3 million non-English-speaking elementary and secondary school children in the United States. An overwhelming majority of these children are the Spanish speaking of the Southwestern United States, Florida, and New York.

I make special reference to the "Spanish speaking" because these are precisely the type of persons this legislation is designed for. I will discuss the applicability of bilingual education to the Spanish-speaking community in greater detail later in my remarks.

In my opinion, Mr. Speaker, bilingual education is designed to facilitate learning by and for those students who find that they are better equipped to learn in another language. May I say that the key word, with respect to what I am saying, is "learn." I say this because, as I stated before, our chief aim is to facilitate learning.

Most of us have taken a good education for granted. We lose sight of the positive good that stems from our being exposed to the educational processes. We should realize that education has not reached all of America to the extent that it should. There are areas yet to be significantly affected. One of those areas of special need is within the communities that face a language barrier. To these citizens education means liberation. Who will deny that education can liberate a generation from the dregs of dismal failure to a bright and hopeful future? Education makes men more free; it helps lift up a man to his full potential.

Because we are desirous of a society wherein all men are afforded the opportunity and means to succeed, to advance their well-being, and to be respected, we welcome new innovations which seek to further these ends. This is the fundamental purpose of H.R. 8177, the bilingual education bill which I have introduced.

I grant you, there are some substantive and technical differences in the more than 30 bilingual education bills, but I am confident there is little disagreement over the fundamental principles and long-range purposes of this legislation.

There is one criticism or concern relating to this legislation which I want to dispel. It should be clearly understood by all that this legislation does not seek in any way or form to create divergent or isolated societies within the context of the larger society: Conversely, our aim is unity. We seek, instead, to foster understanding through education. Experience has taught us that education fosters understanding, and that understanding fosters tolerance. With tolerance comes

acceptance of healthy competition, and the demise of ignorance and social frustration.

Mr. Speaker, it is not a pleasant feeling to observe someone struggling desperately to succeed and, yet, hopelessly cast upon a treadmill of stagnation and immobility. I want to share with the Members a letter I received last week from a young Mexican American girl who is representative of the present resurgence among the Spanish-speaking populace for self-identity, educational attainment, and community progress:

DEAR CONGRESSMAN BROWN: Recently you spoke of the percentage of Mexican-American soldiers who have died in the Vietnam War, and the problems involved. I would like to personally thank you for bringing this subject up, because I feel you are one of the few statesmen interested in the problems facing the Mexican-American people.

One of the problems, which you mentioned, is the lack of college facilities. Many of us Mexican-American students have a difficult time with the language barrier and a great difficulty in getting jobs to help us get through high school and college. The main problem, I feel, is the lack of jobs. Many of us need the jobs to help us with our financial problems, but not very many jobs are offered to us except agricultural work, and this is one job we do not want to have for the rest of our lives. We want a decent job, as everyone else, that pays well, where we can get experience from. Many employers will not hire us, because we are not experienced. Well I would like to know just how we can get experienced, when no one hires us and teaches us? I can not help but feel that some of them are prejudiced against us. I do not think that color, religion or what a person believes in should have anything to do with the way he or she works as long as the work is done.

Because of these reasons, many of our young Mexican-Americans drop out of high school or discontinue further education after high school. I, myself, am facing these problems. We are nine in the family, and it is very difficult for my father to support six kids through high school and college, with the exception of my brother, who is in the Air Force. My two eldest sisters are going to college. They applied for jobs at the employment offices of many department stores, hospitals, state and government agencies, over the past two years and not one job was offered to them, because they lacked the experience. Just recently my oldest sister was offered a job in a hospital and the other is still looking. Last summer I applied for a job in the Youth Opportunity Center, but the only job they had to offer was agricultural work.

So I took it. This summer I am looking for a decent job and I find it very difficult. Next year my sister and I will graduate from high school and I know that this will be the beginning of the long and hard struggle to continue our college education, which means a lot to us. My father has helped us a great deal by encouraging and helping us in any way he can with our financial problems, so that we might receive the education he lacked. I know that there are many young Mexican-Americans who face the same problem, and there are others who face more difficult problems.

Organizations have been set up to help our young generation, but they have not progressed enough. I would appreciate it very much if you would please take these problems into consideration, and help us progress.

Knowing that you are interested in helping the Mexican-American people, I decided to write to you even though I am not in your district. As you know, these problems do not only lie in your Los Angeles district but in all of California and in other states.

Very truly yours,

HORTENCIA MORALES,
Sacramento, Calif.

This young schoolgirl is not self-seeking. Her identification is with her immediate community. She is fully cognizant of the problems resulting from inadequate education. Her determination is outstanding and, indeed, enviable; because of this, she will likely succeed.

But, again, the central point of her letter is her concern for others. And, I regret to say, she has good cause for concern. Allow me to cite briefly, Mr. Speaker, a few facts relating to the educational problems of Spanish-surname persons in the Southwestern United States:

The differences between the adult Spanish-surname population and two reference populations are indeed enormous. In 1960, in the Southwest, adult Mexican Americans had, on the average, 7.1 years of schooling as against 12.1 for "Anglos" and 9 for nonwhites. If the "Anglo" record is taken as a norm, the gap was 5 years or 41 percent for Mexican Americans and 3.1 years or 26 percent for nonwhites. And the picture repeats itself in every State, though with some significant variations. The median attainment of the Spanish-surname group in 1960 ranged from 8.6 years in California to a dismal 4.8 years in Texas—the latter being barely above the level of 4 years which is generally considered the demarcation line for functional illiteracy.

In 1960 only 14 percent of the Mexican American people possessed a junior high school education, while less than 5 percent reached the college level. Fewer than 5 percent graduated from college.

I do not, of course, seek to affix the cause of this low educational attainment to the language problem alone. It is only one focal point of obstruction, there are many others—insufficient and inadequate jobs, poor environment which too often fosters a distorted sense or priority of values, inadequate health facilities, and dilapidated housing.

Who and where is the Mexican American? There is a population of over 5½ million Americans of Mexican descent in the Southwestern United States; the State of California is the home of over 1,700,000 persons of this background; over 750,000 Spanish-surname persons live in Los Angeles; and more than 175,000 Americans of Mexican descent reside in East Los Angeles alone.

I am proud to bring to the attention of this distinguished body, the fact that I am the congressional representative of the greater portion of the East Los Angeles community. Recently, many of my constituents appeared before a Senate committee in Los Angeles and spoke very favorably in support of bilingual education. I also had the great privilege of taking part in those California hearings, as did my esteemed colleague from California, the Honorable EDWARD ROYBAL.

The tendency for many researchers who conduct studies and expound upon this large community of people is to lump the whole group into one large stereotyped package—as Time magazine so disparagingly did in a recent issue—and to draw conclusions based upon this false premise. I caution against doing this—one could easily trend upon reality.

True, there are cultural, social, and language similarities within this ethnic group, but even the experts using scientific methods are confronted with vastly perplexing problems when conducting studies of Americans of Mexican descent. We must remember that this diverse people—the second largest minority in the United States—is spread from one end of the social, political, economic, and cultural spectrum to the other.

We will have to face squarely the fact that not every child with a Spanish surname is in need of the specialized instruction to be imparted through bilingual education. It is just not so. In discussing this, I am reminded of a statement made by Dr. Herschel T. Manuel, an educator from Texas, who affirmed:

> We must ever be mindful that we are dealing with an extremely varied population and with schools that differ widely. Like other children, these children vary in native ability from feebleminded to genius, in living standards from very low to superior culture, in economic status from extreme poverty to wealth. In language, some are comfortably bilingual when they enter school, many know Spanish only, some have a limited knowledge of English, and some know English only. "The Spanish-speaking child" turns out to be a number of different children.

However, there is a definite and immediate need for this legislation. As mentioned earlier, there are more than 3 million non-English-speaking elementary and secondary school children in the United States. For the most part, we are dealing with Spanish-speaking grade and high school students living mainly in the Southwestern States, New York, and Florida. Also affected would be French-speaking youngsters in Louisiana and along the Canadian border; children of oriental ancestry chiefly located on the west coast and in Hawaii; students of American-Indian descent; as well as other school-age children of non-English-speaking background residing in widely scattered sections of the country.

I want to impress upon the Members of the House that we in Los Angeles are aware of the need for specialized instruction, and anxious to assist these students. There are already successful pilot projects in operation, and many local citizens look hopefully upon the proceedings here in Washington and await our decisions and action. I hope we will not let them down.

The need for legislation such as that which I am discussing today becomes even more evident when we realize that—as an example—the Spanish-speaking population is not stagnant; that is to say, it varies in makeup and size. Consider, Mr. Speaker, that in fiscal year 1966, 45,163 persons from Mexico were admitted into the United States for permanent residence. Of this number, 26,582 gave, as their destination, the great State of California. Many of these new arrivals find themselves at home within the East Los Angeles community.

And please bear in mind, Mr. Speaker, that these figures reflect only emigration

from Mexico. In addition to Mexico, we welcome immigrants from 20 other Latin American republics each year. So, there is a constant replenishment of this resource. Why do I say resource?

I say this because I have long believed that one of the most valuable resources that this Nation possesses is the bilingual and bicultural abilities of its citizens. As we know, a sizable number of Americans are possessed of these wonderful attributes. The problem is that, heretofore, these abilities have been neglected and, even more distressing, discouraged. Our aim is to reverse this trend of unconcern and waste of human resources.

In summation, Mr. Speaker, I believe there is reason for hope. Bilingual legislation has been introduced by more than 35 Members of this House. Moreover, continued hearings cannot but strengthen the content, as well as the chances for passage of this important legislation. I am encouraged, also, that the underlying purpose for this legislation has received proper focus. I reiterate: This legislation, in effect, seeks to preserve the best of our many languages and cultures, while, at the same time, it seeks to hasten the participation of all Americans in the grand scheme of America—individual fulfillment and community endeavor.

We have before us, Mr. Speaker, a great opportunity. I cannot overstress the inestimable good that will be imparted to those individuals who will become the recipients of this legislation—or the good that will be imparted to our own Nation, which becomes, as an end result, the grandest recipient of all.

J. E. GREINER CO. AND THE CHESAPEAKE BAY BRIDGE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. LONG] 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 Hawaii?

There was no objection.

Mr. LONG of Maryland. Mr. Speaker, in three addresses on the floor of Congress in the past 2 months, I have presented information concerning excessive fees, negligence, illegal spending of public money, and other questionable activities involving the J. E. Greiner Co., the consulting engineering firm which has recommended first priority to a bridge parallel to the existing Chesapeake Bay Bridge, despite its rejection by the voters in statewide referendum last November. This firm is about to be awarded the contract to supervise the design and construction of that bridge, a contract which the chairman of the State roads commission has refused to make public, and which has been questioned as cost-plus, open end, and potentially expensive for the people of Maryland.

The main motive behind this drive to build a bridge next to a bridge is not the economic or engineering merits of the project, but the millions of dollars to be made from fees and land speculation. The Governor owns land on the approach to and near the proposed parallel span. He promised to sell this land last year, when his investment was discovered. It was only last week, however, after public prodding from me, that plans to sell this property were again announced. Eight business and political associates of the Governor, of course, still own the remainder of this land.

Moreover, the activities of the Greiner Co. in other States have been such as to forfeit the confidence of the people of this State.

For a number of weeks my detailed accounts of activities in Pennsylvania, New Jersey, and Florida have elicited only silence from the J. E. Greiner Co.

This silence was broken just recently when letters of E. J. Donnelly, a partner of the firm, and Mr. Jerome Wolff, chairman of the State roads commission, were entered in this RECORD. These letters berate me for "innuendo and character assassination." But careful examination of the letters and communications fails to bring out the slightest material rebuttal of my charges and in fact, they constitute a virtual plea of no defense.

Mr. Donnelly does not deny that the Pennsylvania Turnpike Commission brought a $7.7 million civil negligence suit against the Greiner Co. in the U.S. District Court of Maryland.

Mr. Donnelly does not deny that the Greiner Co. paid the turnpike commission to settle this civil suit out of court.

Mr. Donnelly does not deny that the Manu-Mine Research & Development Co., whose drilling and slushing work was defended in a Greiner report signed by Donnelly, billed the turnpike commission $7.5 million for one part of the drilling and slushing work which the head of the Pennsylvania Department of Mines testified should only have cost $82,900.

Mr. Donnelly does not deny that the Greiner Co. recommended this mine drilling and slushing work despite its own testimony that none of its personnel had experience in mining engineering.

Mr. Donnelly does not deny that he had admitted on examination in court not visiting any of the mines the Manu-Mine Corp. was supposedly filling in before signing a report defending the corporation's work against State department of mines' criticism.

Mr. Donnelly does not deny the Greiner Co.'s shabby record in the Tampa Airport construction in Florida, which I described in the CONGRESSIONAL RECORD of September 21; or the Greiner Co.'s dealings with the Delaware River Joint Toll Bridge Commission, which I described in the CONGRESSIONAL RECORD of September 28.

The Florida portion of that burden was assumed by Jerome B. Wolff, chairman of the Maryland State Roads Commission in a letter to the Baltimore News American dated October 1, which was reprinted in the RECORD as a companion to Mr. Donnelly's letter.

But Mr. Wolff does not deny that, after 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, a new contract between the Greiner Co. and the aviation authority was negotiated which, a local newspaper reported, "could result in substantial savings."

Mr. Wolff does not deny that the grand jury findings were supported by an independent probe by the Consulting Engineers Council of Florida, which agreed that the Greiner Co.'s fees for the proposed airport were too high.

Mr. Wolff may be unaware that the State attorney of Tampa is considering a new investigation of Greiner's fee because estimated airport construction costs have doubled in recent months.

Still to be "defended" are Greiner's dealings with the commission which operates bridges between Pennsylvania and New Jersey. In 1956, the J. E. Greiner Co., as consulting engineers to the Delaware River Joint Toll Bridge Commission, was found by a commission of legislative and law enforcement officials from both States to have authorized over a period of years illegal payments of $181,000 in public funds to commission members and employees. A re-formed Toll Bridge Commission later reduced Greiner's annual fee, from $40,000 to $12,000.

If the defense by Mr. Donnelly and Mr. Wolff of the Greiner Co.'s record in other States is less than complete, their defense of the decision to award first priority to the parallel bay bridge is equally insubstantial.

Mr. Donnelly defends a parallel bay bridge primarily with the claim that it will allegedly cost less to build and yield greater revenues when completed than a northern crossing of the Chesapeake Bay from Millers Island to Tolchester Crossing.

But Mr. Donnelly does not add that he was comparing the construction cost of a parallel bridge slated to have two lanes with a northern crossing scheduled to have four lanes. Nor does he add an important fact, revealed in Mr. Wolff's companion letter of October 1, that—

> There is the strong possibility it [the parallel bridge] will be three lanes instead of two—

Which, of course, means a commensurate rise in construction costs for the duplicate span.

Neither did Mr. Donnelly add that the cost estimate for the parallel bridge did not include the $50 million cost of constructing the Arundel Expressway to speed Baltimore area residents to the parallel bridge, while the cost estimate for the northern crossing did include the almost $30 million cost of approach roads to that bridge.

The estimates of how much revenue a parallel bridge would yield, which were cited with such confidence by Mr. Donnelly, were made by the traffic consulting firm of Coverdale & Colpitts.

Mr. Donnelly does not disclose the reliability record of these so-called traffic "experts." I have examined this record. I have disclosed eight major projects on which this firm made gross overestimations in traffic and revenue—including two bridges in Maryland, the Potomac River Bridge and the Susquehanna River Bridge. Coverdale & Colpitts overestimated 1966 traffic by 41 percent on the Potomac River Bridge and by 57 percent on the Susquehanna River Bridge.

The six other blunders include two bridges in Michigan and toll projects in Illinois, West Virginia, Massachusetts, and Kansas. Three of these projects are in default on interest payments to bond

holders. A fourth is paying interest out of borrowed money. On the fifth and sixth projects, tolls had to be raised sharply in an attempt to make up for traffic deficiencies. Even with higher tolls, revenue is still below the firm's predictions.

Mr. Wolff attempts to defend Coverdale & Colpitts by citing statistics on the total number of successful projects they have undertaken. But even if we accept Mr. Wolff's figures, the failure record of Coverdale & Colpitts is 15 percent, since they blundered on projects with a value of three-quarters of a million dollars out of a total of $5 billion worth of projects—the figure Mr. Wolff quotes.

With the Greiner Co.'s cost and revenue estimates thus discredited, Mr. Donnelly's claim that a parallel bridge would not preclude construction of another bay bridge in this decade, while a northern crossing would, is equally lacking in substance.

Finally, can the Greiner Co. deny that the experience of building the first Chesapeake Bay Bridge at Sandy Point will be useful in the construction of a bridge parallel to the existing one?

I would like to make one final point regarding Mr. Wolff's defense of affirmative State legislative action on a proposal rejected by the Maryland voters in a referendum several months before.

Recently, I testified before a constitutional convention committee in Annapolis in support of a State constitutional amendment to bar passage by the State legislature—for at least the following 2 years—of any law rejected by the State's voters in a referendum. I pointed out at that time that the definition of a referendum is the "practice of referring measures passed upon or proposed by the legislative body to the electorate for approval or rejection."

If, after the voters have thus been heard and have rejected a particular piece of legislation, the State legislature can then ignore the voice of the people and immediately repass the same piece of legislation, the effect is the same as if the voters had not been heard at all. If the referendum is "a useful device of popular government that should be preserved in a new constitution," as the interim report of the Constitutional Convention Commission so described it, the effectiveness of this device should not be vitiated, nor its decisions overturned.

I have submitted the above facts to clarify the record on the bridges to be authorized by H.R. 11627. I hope this data will be of assistance to my colleagues.

THE JOHNSON ADMINISTRATION AND THE RIGHT TO PEACEFUL DISSENT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. ALBERT] 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 Hawaii?

There was no objection.

Mr. ALBERT. Mr. Speaker, we have heard many speeches in the Congress and throughout the country about how the Johnson administration allegedly equates dissent from its Vietnam policies with treason.

We hear charges that the Johnson administration would do anything to prevent its critics from having a public forum.

We have heard honorable, respected Americans allege that there is a police state in this country because people are afraid to speak up, and the President encourages that fear.

Well, today the public lie is given to all those irresponsible statements and charges.

In his column in today's New York Times, James Reston has given us a detailed report of how the Johnson administration is working with the leaders of this Saturday's Washington antiwar march to make certain that freedom is maintained and violence does not occur.

Mr. Reston—who cannot by any stretch of the imagination be called an apologist for the administration—reports how the Johnson administration is making ample provision for space and time for the marchers at the Lincoln Memorial and the Pentagon. The Government only insists that order be maintained and public buildings not be obstructed.

Now is this the picture of an administration suppressing dissent?

On the contrary. Here is a President of the United States who has been vilified on Vietnam beyond imagination, still giving public notice that any American has the right to dissent peacefully from any of his policies—and that Government will fully protect that right to dissent.

I pray that Mr. Reston's article will cut off the foolish and wild charges of suppression we have heard hurled against this administration.

Those charges are not true. And this Saturday's antiwar march is ample evidence of the fact that Lyndon Johnson supports the right to peaceful dissent, just as much as he supports the rightness of his own policies at home and abroad.

Under unanimous consent I insert in the RECORD Mr. Reston's article entitled "Washington: Johnson, the Court and the Peace Marchers."

WASHINGTON: JOHNSON, THE COURT AND THE PEACE MARCHERS

(By James Reston)

WASHINGTON, October 17.—The capital of the United States is now preparing for what is advertised as the biggest antiwar rally in the history of the nation. The guess is that between 20,000 and 70,000 people will participate this weekend in a protest meeting at the Lincoln Memorial, a march to the Pentagon, and picketing and demonstrations there Saturday night and throughout Sunday.

In the emotional mood of the moment, the possibilities of some ugly scuffling and even bloodshed in these 48 hours are recognized both by Government officials and the organizers of the protest. The latter, representing all kinds of student, political, religious, racial, and pacifist organizations, have emphasized that "this is a peaceful demonstration . . . our purpose to protest the violence of the Administration's policies in Vietnam, not to contribute to more violence," but there are two important problems.

FREEDOM AND DISCIPLINE

First, The National Mobilization Committee to End the War in Vietnam is only a coordinating committee with no control over the members of many organizations who will attend the rally and march to the Pentagon.

Second, the leaders of the rally are not prepared to accept the principle on which permits for the rally are being granted: namely, that the Government has the right and duty to set reasonable limits on where the demonstrations can take place and for how long.

David Dellinger, chairman of the National Mobilization Committee, says he is willing to accept limits of space and time on the demonstrations, but that he is not prepared, and is obviously not able, to bind others to exercise their rights of speech and protest within limited periods and areas defined by the Government.

This is the difficult point. On Dellinger's own testimony, the Government has withdrawn from its original position that there could be no march or rally or provision for transporting such a vast crowd unless the committee repudiated any intention of civil disobedience. Beyond that, he agrees that the General Services Administration, which is representing the Government, has made ample provision in time and space for the use of the Lincoln Memorial, the mall, and the north parking lot at the Pentagon for the demonstrations, and the conveniences of the crowd.

There are elements coming here, however, that are not prepared to abide by the Government's limitations on the areas of protest, and some who are not even willing to follow Dellinger's view that "this is a peaceful demonstration."

THE UNPREDICTABLE CROWD

The Johnson Administration, however, has approached this awkward problem in a reasonable spirit. It regrets the whole thing. It knows that the photographs against the background of the Lincoln Memorial and the Pentagon will be used against its Vietnam policy all over the world. It is convinced that the Communists will exploit the rally and even that some of them have helped organize it—though it will not make available its evidence for this last point. But it has cooperated in the arrangements, within constitutional bounds, and though it has insisted on order and security, and will have 2,700 District of Columbia National Guardsmen on hand, it obviously has the sanction of the Supreme Court for these limitations.

Arthur Goldberg, who is probably the most persistent advocate for a generous Vietnam peace settlement in the Johnson Administration, stated the principle (Cox v. Louisiana) when he was a member of the Supreme Court of the United States.

THE MAJORITY OPINION

"The rights of free speech and assembly, while fundamental in our democratic society," he said in a majority opinion, "still do not mean that everyone with opinions or beliefs to express may address a group at any public place and at any time.

"The constitutional guarantee of liberty implies the existence of an organized society maintaining public order, without which liberty itself would be lost in the excesses of anarchy. The control of travel on the streets is a clear example of governmental responsibility to insure . . . order. . . ."

This is all the Administration has asked of the antiwar demonstrators. President Johnson himself has insisted, despite all the recent Vietnam criticism, that they have every right of dissent except the obstruction of public order or the security of public buildings. The question is whether the antiwar committees will be as restrained. Their purpose is to change the Vietnam policy, but

if they attack the Pentagon instead of arguing their case, they will probably do precisely the opposite.

SOCIAL RESPONSIBILITIES OF BROADCASTERS—AN ADDRESS BY NEWTON N. MINOW TO THE 10TH ANNUAL CONVENTION OF HOSO RENGO, THE JAPAN BROADCASTING FEDERATION, TOKYO, JAPAN, SEPTEMBER 7, 1967

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] 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 Hawaii?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, one of the most thoughtful and valuable citizens in our country is Newton N. Minow, of Illinois, who served with great distinction as Chairman of the Federal Communications Commission by appointment of President John F. Kennedy.

Although now a lawyer in private life, Mr. Minow still serves the public good by participation in a wide variety of broadcasting activities, including service as a director both of the National Educational Television Network and the new foundation to create the Public Broadcasting Corporation as proposed to Congress by President Johnson.

An outstanding example of Mr. Minow's continuing concern with the public impact of radio and television is an address he delivered on September 7, 1967, in Tokyo, Japan, to the 10th annual convention of the Japan Broadcasting Federation.

This organization, which is called Hoso Rengo, is the national association of all Japanese commercial and noncommercial broadcasters.

Mr. Minow was the first American invited to address this group and his speech was later carried with questions and answers on Japanese television.

Mr. Speaker, because I believe Mr. Minow's perceptive address on this occasion, "Social Responsibilities of Broadcasters," will be of interest to many Members of Congress, I insert it at this point in the RECORD:

SOCIAL RESPONSIBILITIES OF BROADCASTERS

(By Newton N. Minow)

May I first express my appreciation to Hoso Rengo for inviting me to participate in its 10th Annual Conference in Tokyo. It is an extraordinary honor on my first visit to Japan, to be able to speak with so many distinguished leaders from both non-commercial and commercial broadcasting as well as to the many others in the audience who represent varied fields concerned with mass communication.

Also, may I express my appreciation to the Japan Broadcasting Corporation, which is videotaping this presentation for telecast throughout Japan.

I am told by my friends in Tokyo that some of you know my name in Japan because of an address I made several years ago to the American broadcasting industry in Washington at its annual convention. At that time I was serving as Chairman of the Federal Communications Commission by appointment of President John F. Kennedy.

After I made that speech, one broadcaster came up to me on the platform and said, "Mr. Minow, I didn't think very much of your speech and didn't like it." I said thank you for your views. A few minutes later, he went back into the crowd and then he came back and said, "In thinking it over, your speech was terrible." Again, I said thank you for your opinion. Again, he disappeared into the crowd and returned and came back a third time and said, "Mr. Minow, that was undoubtedly the worst speech about broadacsting ever made by anyone in history." Governor LeRoy Collins, President of the National Association of Broadcasters was standing next to me and had heard all of this. Governor Collins put his arm around me and said: "Newt, don't let that man bother you. He has no views of his own; he just repeats everything he hears."

Today, I am no longer connected with the Government of the United States, but I still have deep interest in broadcasting. I am a Director of the National Educational Television network which has more than 100 affiliated stations throughout the United States. I am the Chairman of the Board of Directors of one of the largest educational stations in the United States, WTTW in Chicago, which operates on two channels, 11 and 20 to serve millions of people each day. I am a lawyer in private life representing a number of commercial broadcasters, including CBS network. And I am legal counsel representing all the six Chicago television stations in their plans for their new broadcasting antennas on top of a new 100 story building under construction in Chicago. And I am a Director of the new foundation leading the effort to create the Public Broadcasting Corporation in the United States as recommended to the Congress by President Johnson.

Wearing these many hats and roles of both commercial and non-commercial television (like Hoso Rengo) I am honored to be your guest.

Today I hope to share with you some thoughts on the subject suggested by Hoso Rengo: "The Social Responsibilities of Broadcasters." I would like also to learn your thoughts. Therefore, I will be brief in order to reserve time for an exchange of comment with you.

TO FLATTER EVERY PUBLIC WHIM AND PREJUDICE?

Before he became President, John F. Kennedy once told a group of American broadcasters that politicians and broadcasters had much in common. He said and I quote—"In the last analysis we are both dependent in large measure on the same factor—public approval. The broadcaster who offers shows that are not seen nor heard is not offering a public service no matter how high the quality of his show. The politician whose indifference to public opinion costs him his seat, will no longer be able to perform effective public service no matter how high principled his courage or independence might have seemed. The question facing us both," said President Kennedy, "is this—will the politician's desire for reelection and the broadcaster's desire for ratings, cause both to flatter every public whim and prejudice, to seek the lowest common denominator, to put public opinion at all times ahead of the public interest?" "For myself" said President Kennedy, "I reject that view of politics and I urge you to reject that view of broadcasting."

Because I deeply agreed with President Kennedy's analysis I was honored to accept his appointment to the Federal Communications Commission at the end of 1960. I had some strong convictions, not especially about the FCC, but about television; one of the industries which the FCC regulates; I believe that television is one of the most powerful instruments ever created to reach the minds and hearts of man. Nothing in the history of man approaches the potential of television for information, for misinformation, for sheer reach and impact.

TWIN RESPONSIBILITY OF BROADCASTERS

In speaking about the social responsibilities of broadcasters, let me say first that I view this in two frameworks . . . that of the individual nation's domestic situation . . . and that of the international situation. As each day passes, these two frameworks are being worked into one large structure. Unfortunately, however, many of us do not really understand the challenge imposed by the advance of technology in international communications.

Beginning with domestic considerations, television in the United States took a course quite different than in Japan. We started American television with strong commercial stations and networks which have grown and prospered and brought varied service to the people of America. We had only weak and struggling educational or non-commercial television.

In Japan, you created strong non-commercial service in the great and distinguished NHK. You then started commercial television which is growing and developing its service.

Starting in different ways, we both have learned the same lesson. That to serve the people of the nation well, we need both kinds of television to be strong and effective—both commercial and non-commercial television. Some things one can do better than the other—but our job as broadcasters is to provide choice and variety to the public. To accomplish this, we need both kinds of television.

I should like to tell you a little about our hopes for the Public Television Corporation in America.

REVOLUTIONARY PROPOSAL OF FORD FOUNDATION

On August 1, 1966, the new president of the Ford Foundation, McGeorge Bundy, and his television advisor, Fred W. Friendly (who not long before had resigned as president of CBS News), made their now famous domestic satellite proposal. They suggested the establishment of a non-profit corporation that would provide, through a series of fixed satellites, national interconnection for all of the nation's television networks. Satellite interconnection would cost less than the present system of land-lines interconnection; part of the saving would be passed on to the commercial networks and the rest of it would go to the support of ETV's national and regional program services.

The revolutionary proposal received wide national publicity and created a stir both inside and outside the world of communications.

The Ford Foundation also wanted to demonstrate to the American public what non-commercial television could contribute to the nation if it had adequate program funds and national interconnection, and in December of 1966 the Foundation appropriated $10,000,000 for this purpose. Most of that money will go to what has now become the Public Broadcast Laboratory of N.E.T. Beginning in October of 1967, P.B.L. will present, through the N.E.T. network, a live two-hour program on twenty-five consecutive Sunday evenings. The series is intended as both an experiment and a demonstration to provide a weekly review of cultural, sociological, scientific, economic, and political developments.

The P.B.L. project will be the first weekly series in the history of non-commercial television to be broadcast live across the country; the first live nationally interconnected ETV program was N.E.T.'s "State of the Union / '67," which was presented the evening of January 10, 1967.

Its first interconnection demonstration included two hours of commentary on President Johnson's State of the Union message, immediately after the President had spoken, by ten leading scholars and diplomats located in five cities around the nation. The response from critics was overwhelmingly favorable. Through the winter and spring N.E.T. continued its demonstrations with

several timely programs and with coverage of two sets of Senate hearings. Then, on June 25, it brought to American audiences, by interconnection, the historic "Our World" telecast, which was produced by broadcasters from fourteen nations including Japan and seen by viewers on five continents.

CARNEGIE COMMISSION PLAN: PUBLIC TELEVISION CORPORATION

Meanwhile, in 1966, the Carnegie Commission on Educational Television was deep in its research and deliberations. The Commission consisted of fifteen distinguished persons from education, broadcasting, journalism, business, diplomacy, and the arts. Its chairman was James B. Killian, Jr., chairman of the corporation of the Massachusetts Institute of Technology, who recently visited Japan to study and learn about your television system.

In mid-January of 1967, shortly after N.E.T.'s first interconnection demonstration, the Carnegie Commission issued its report to the American people. It called for "a well-financed and well-directed educational television system, substantially larger and far more pervasive and effective than that which now exists. . . ." The Commission urged the establishment, by Congress, of "a federally chartered, non-profit, non-governmental corporation, to be known as the 'Corporation for Public Television.'" This Corporation, the Commission said, "should be empowered to receive and disburse governmental and private funds in order to extend and improve Public Television programming." The Commission stressed the importance of having private funds available to the Corporation. Commercial broadcasters in the United States have supported this plan, and CBS has pledged $1,000,000 as a contribution. President Johnson has endorsed the plan, and its adoption is now pending in our Congress.

FIGHT IGNORANCE AND ITS DEVILS OF DESPAIR AND DESTITUTION

I have tried to summarize the domestic situation in the United States. In regard to your own domestic industry, I feel advised to limit myself to saying that I have read a great deal about broadcasting in Japan and respect it for its tremendous technical achievements and for its diversified and resourceful approach to providing both entertainment and education on a mass scale. Japanese television represents one of the world's most stimulating experiments and accomplishments in mass communication. I hope to learn more about your industry in the next few days.

In both your country and my country, however, I think you will agree that today we are faced with the urgent need and the technical opportunity to entertain, to inform, and to educate on a scale never before attempted. As our studies show that most people watch television to be entertained, I suggest that we do everything possible to increase the informational value of entertainment programs as well as reinforce the entertainment value of informational programs. What we must learn to do is to make our entertainment programs more educational and our educational programs more entertaining.

I hope that you will agree with me that in the healthy democratic society there is no reason and, indeed, no excuse for failing to utilize television to its utmost potential in enlightening our citizens. Anything else would be a waste of this electronic miracle and an abdication to ignorance and its devils of despair and destitution.

INTERNATIONAL COMMUNICATIONS REQUIRE NEW PHILOSOPHY

On the international level, the interested observer can discern encouraging developments on one hand . . . but frightening gaps on the other hand. The history of the 19th and 20th centuries is a story of mankind's failure to keep pace with its own technology. Today in communications, the world faces a repetition of this history. Too many of us greet the challenges of international communications in the 1970's with the vocabulary, the spirit, and the industry limitations of the 1950's. In a few years we will have the capability to send television signals from any spot on earth directly to any other spot, including individual homes. In a few years . . . so say the technical experts . . . we will have the skill to provide most homes in advanced industrial nations with their own personal communication centers offering newspapers and magazines by facsimile, video telephones, and perfect color television signals from ten . . . or ten-thousand miles . . . distance. The technical experts also tell us we will have the machinery to reach countless millions of the underfed and under-educated with lifesaving and soul-saving knowledge . . . knowledge that well might prevent worldwide waves of revolution by the desperate deprived. Ond yet, today, for the most part, we stand isolated in our individual nations facing our parochial problems with the philosophy of the earlier days when we began this experiment in mass communications.

There are important exceptions and encouraging developments, and in no way must we overlook the international news coverage by various television companies, the imaginative work of the Asian Broadcasting Union, the European Broadcasting Union, and Intelsat, and the efforts by individual broadcasting organizations to establish orderly and meaningful international operations. On the other hand, there are no signs of real urgency in our efforts to mobilize the talents and facilities of the various international broadcasters to meet the problems and the promises of the 1970's. Man long ago learned to lavish great and intense energy and skill on his tools of war. Today he must learn to generate the same energy and skill on developing and utilizing his tools of peace . . . such as international broadcasting.

IMMEDIATE GOAL: INTERNATIONAL CULTURAL EXCHANGE

In order to conclude and allow time for an exchange of ideas, I would like to mention two personal thoughts, not for the 1970's or the year 2000, but but for the immediate future . . . for the very tomorrow of television.

First, may I urge each broadcaster present today to use the tools at hand for improving the exchange of cultural and educational television among those interested countries. One tool is the US-Japan Television Exchange program ably represented in Japan by Mr. Saburo Matsukata. There is a compelling need and opportunity for Japanese broadcasters to make available responsible and realistic public affairs programming for exchange with the United States. There is also a great need, I understand, for you to search your broadcast schedules and clear time for the telecasting of public affairs programs from the United States. For years we have enjoyed an excellent and fruitful exchange of businessmen, scholars, politicians, scientists, and other specialists. For years we have witnessed an adequate exchange of television entertainment. In striking contrast, there never has been more than a tantalizingly tiny exchange of public affairs television programming.

Finally, let me ask you leaders in broadcasting to turn your best efforts to expanding and dramatizing the two-way exchange of good television programming between our nations in any way your creativity directs. Would it be possible, for instance, for non-commercial and commercial broadcasters in Japan to pool their talents with their counterparts in the United States to provide periodic television festivals via satellite transmission, available to all those broadcasters who desire to participate? This might be done once a year or more, thus allowing our respective nationwide audiences to sample the arts, sciences, politics, and daily life of their Pacific partners. Hopefully, this type of program would encompass a period of several hours or several days and would cut across the traditional competitive lines of individual companies.

If such a concept proves unfeasible, at the very least let me urge you to explore with your American broadcasting partners ways and means to stimulate the exchange of public affairs programming. I do not believe that "business as usual" is good enough. International understanding and education must receive special attention. It is a matter of vision, and determination.

Speaking of television, a great American broadcaster, Ed Murrow, once said—"this instrument can teach; it can illuminate, yes, it can even inspire, but it can do so only to the extent that humans are determined to use it to those ends. Otherwise it is merely lights and wires in a box."

It is up to all of us, especially Japanese broadcasters and American broadcasters who together are so advanced in communications, to work together in unity so that television internationally does not become a vast wasteland. Each one of us must dedicate his talent to make sure that "television wa kōya de wa nai."

Thank you.

SLUM JOB PLAN SEEMS PROMISING

Mr. MATSUNAGA. 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 Hawaii?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, the Nashville Tennessean, an outstanding daily newspaper in my State and district, has long been noted for its support of programs to improve the lot of the disadvantaged and to help this nation meet its obligations.

One such significant undertaking is the joint industry-government job proposal upon which I commented here at the time President Johnson announced the program.

The Tennessean, in a recent editorial, has called attention to the President's new effort to erase the ugly blight of poverty from our rural and urban areas. This editorial lent its support to the new plan, underlining the Tennessean's belief in our ability to offer new hope and opportunity to those who are still condemned to poverty in this—the world's most affluent nation.

The Nashville Tennessean's editorial is further testimony to the value of this experiment. I ask that it be placed in the Record.

[From the Nashville Tennessean, Oct. 4, 1967]

SLUM JOB PLAN SEEMS PROMISING

President Johnson has announced a new pilot program designed to lure private industry into the fight against hardcore unemployment in urban and rural slums. It will be tried in five or six cities yet to be decided and in two rural areas.

Basically, the program is an attempt to induce businesses to create jobs and training opportunities in or near slum areas. At least $40 million in federal money will be made available for job training, as well as surplus federal property and equipment.

The program Mr. Johnson announced represents something of an administration end-

run around a Congress which lately has been less than receptive to social programs.

Although the amount of money involved is small when compared to the scope of the problem, the project holds promise. Aerojet-General Corporation has been successful in setting up a project to help the unemployed in the Watts section of Los Angeles, and the former president of the firm will head the federal program.

It is encouraging, too, that rural areas, which have pockets of poverty and unemployment as grim as the ghettos, have not been forgotten.

The experiment offers responsible industry a chance for constructive cooperation with the government in the struggle against poverty, and the results will be watched with interest.

SLAP 'EM DOWN AGAIN, MAC

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. TIERNAN] 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 Hawaii?

There was no objection.

Mr. TIERNAN. Mr. Speaker, it was with a great sense of pride and admiration to listen to your timely remarks 1 week ago when you brought to the attention of this House the inherent responsibility that all Americans bear when they seek to disagree with the aims and goals of our National Government.

No one in this Chamber can refute the wisdom and sagacity of your remarks. As a Representative in the Congress from the city of Boston—the birthplace of liberty and democracy—and as longtime majority leader in the House, you have long been in the forefront in the protection of individual rights and freedoms. Now, as our esteemed and honored Speaker, you have continued on in this same tradition.

It is my privilege and pleasure, Mr. Speaker, to place in the RECORD an editorial from the New York Daily News which is eloquent testimony to the timeliness of your remarks.

SLAP 'EM DOWN AGAIN, MAC

Speaker of the House John W. McCormack (D-Mass.) is usually a calm man—some say much too calm—but he has his share of underlying volcanic fire out of Ireland.

The fire surfaced Wednesday, when Mr. McCormack got up in the House and cut loose on home-front objectors to the Johnson administration's Vietnam policies.

What aroused the McCormack anger was a reported remark by Red North Vietnam's Defense Minister Vo Nguyen Giap that dissent in the United States on the Johnson policies is "a valuable mark of sympathy" for our Communist enemies.

Said the Speaker:

"Nobody argues with the right to dissent. But if I had an opinion I thought would be adverse to the interests of my country, I would withhold it."

Many of the dissenters, roared McCormack, are giving aid and comfort to the enemy and gravely injuring our fighting men in Vietnam.

Some 100 House members got to their feet and cheered these remarks. Our hunch is that the great majority of Americans endorse both the remarks and the cheers. Certainly we do; and we hope Mr. McCormack will make variations of his Wednesday speech again, and again, and again.

OUTSTANDING REA REPAYMENT RECORD

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. JOHNSON] 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 Hawaii?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, during the first 8 months of 1967, rural electric and telephone systems financed by the Rural Electrification Administration of the U.S. Department of Agriculture made payments on their Government loans at the rate of almost $1 million every working day.

These payments, amounting to $203 million, brought to more than $3 billion the total amount paid by REA borrowers through August 31.

This includes $1.6 billion paid by electric borrowers on principal as due and $883 million in interest. In addition, they had paid $310 million on principal ahead of scheduled due dates.

REA's telephone borrowers, by August 31, had paid $145 million on principal as due and $125 million in interest. Payments ahead of schedule amounted to $14 million.

Losses in the 32-year-old rural electrification program amount to only $44,478. This is 8 ten-thousandths of 1 percent of the nearly $5.4 billion of loan funds advanced by REA for borrowers to invest in their local rural electric facilities.

The losses came about through foreclosures in the 1940's of loans to a power company in North Carolina and to a cooperative in New York.

There have been no losses in the 18-year-old rural telephone program, with $1.1 billion of Government funds already advanced to borrowers.

The repayment record of REA borrowers stands as a tribute to the fine manner in which rural people are making use of the Government funds entrusted to them. Some 25 million rural people—men, women, and children—now have the benefits of modern electric and telephone service. This was brought about by the dedicated efforts of REA borrowers, with financial assistance from the Federal Government. The continuing task is to make those services available to rural people under rates and conditions comparable to those in urban communities, and to do it on an area coverage basis.

Electric power and modern communications are essential to the economic development and future progress of rural America. The services provided by REA borrowers have a direct impact on the rural-urban balance required for future national welfare. When productive, respectable and adequately paid employment is available to people in their own local areas, there is little or no reason for them to seek these opportunities elsewhere—especially in already overcrowded cities. The task lies in boosting rural standards of living, both in terms of income and convenience, to match the attractions of urban living.

This is a challenge directly related to the leadership and initiative of REA borrowers in stimulating economic development in the areas which they serve. It is a challenge which rural electric and telephone systems accept. At the same time, they are retiring their financial obligations to the Government not only on time—but ahead of time, and with interest.

TRANSPORTATION AND THE PUBLIC INTEREST

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] 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 Hawaii?

There was no objection.

Mr. STAGGERS. Mr. Speaker, the Commerce Department has just announced completion of a study in depth of one of the pressing problems relating to our economy and our national life. The new study deals with the important area of the automobile, air pollution, and unconventional transportation vehicles. It was prepared by the Panel on Electrically Powered Vehicles and is titled "The Automobile and Air Pollution: A Program for Progress—Part I." The report offers a detailed analysis of the problem and makes a series of recommendations which the panel of outside advisers feels should be included in a national program for clean air. I want to congratulate the panel members and the Commerce Department as well as the other sponsoring Federal agencies for undertaking this important study.

It is clear that, in this increasingly complex age, we need to be continually vigilant in examining and analyzing the impact of our rapidly changing technology upon society and the economy. To properly carry out this difficult task, the Government needs enthusiastic cooperation from the universities and the industrial community so that all available knowledge may be brought to bear in finding the best solutions for the Nation. One of the more valuable mechanisms for bringing this about has been the Commerce Technical Advisory Board. Over the past 4 years, they have sponsored a number of important studies on matters involving technology and the economy. In this program they have involved our best technical talent in the process of suggesting public policy in many difficult areas. I trust that this excellent record will continue well into the future.

SMALL BUSINESS ADMINISTRATION IS PLAYING A VITAL ROLE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. NEDZI] 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 Hawaii?

There was no objection.

Mr. NEDZI. Mr. Speaker, at a time when advanced technology and mass production are making it increasingly diffi-

cult for the small businessman to maintain a competitive position, the Small Business Administration is playing a vital role in our American free enterprise system. The impact SBA is making in the State of Michigan has accounted for a healthy increase in employment, the creation of new firms, and a valuable contribution of services and products essential to an expanding and diversified economy.

SBA, an excellent example of what President Lyndon B. Johnson calls "creative federalism," is a harmonious partnership of citizens and Government working together through financial and management assistance programs capitalizing on individual initiative and bold imagination of the struggling small businessman.

America's 4.8 million small businessmen have found an ally in President Johnson and SBA. The President has strongly supported in the past and continues to support today the efforts of the small business community. It was no surprise when he recognized and applauded the contributions made by the small business entrepreneurs in his Proclamation of Small Business Week, 1967. The President stated:

> Small business performs a service to the Nation beyond the supplying of goods. Operating in an open, competitive market, they stimulate the new ideas that create progress. They provide community leadership to aid economic development. They offer a wide and challenging variety of job opportunities to our people. We must insure that they will continue to hold a vital place in our society.

Mr. Speaker, I point with pride to the fact that Michigan, a State whose scenic beauty, recreational attractions, and industrial complex contributes billions of dollars each year to our gross national product, is achieving new and increased economic diversification. This diversification, aided greatly by long-term loans from SBA, is giving life to new firms as well as long established ones. These firms are in the ranks of the 95 percent of American businesses which are small and comprise the economic backbone of today's society.

During the fiscal year 1967, the Small Business Administration has made 326 long-term loans totaling $12,633,000 to develop and aid small business in the Wolverine State.

Included in the total are 153 SBA loans totaling $9.8 million to help small businessmen. Seven persons received $37,000 in disaster loans to repair or replace property damaged in natural disasters. Under the Agency's equal opportunity loan program 144 disadvantaged persons were provided with $1,559,000 in loans to aid in the establishment of a business or to improve an existing one. Twenty businesses that had been forced to relocate because of a highway or an urban renewal program were given long-term loans totaling $11,015,000. In addition, SBA has helped two local development companies with loans totaling $199,000.

An excellent example of how SBA assistance can make our economy grow is the Valente Dress Suit Co., in Detroit. In June 1954, Marco Valente, Jr., began a formal wear rental business with $10,000 and no employees. Working by himself for 1 year, Mr. Valente conducted operations from one store and generated only $6,000 in sales for the first 6 months. Having gained his experience in the business world as an employee of his father, who owned and operated a formal dress wear and laundry-cleaning service, Mr. Marco Valente expanded his operations from 1956 to 1962 to include the opening of two new formal dress wear stores and a dry cleaning and laundry plant.

Through these expansions, sales increased from $50,996 in 1959 to $71,492 in 1960, $71,732 in 1961, and $74,637 in 1962 with profits reported for all of these periods.

The need to expand facilities to handle the increase in volume and to be competitive prompted Mr. Valente to seek financial assistance. Although the business was making money, it was not sufficient to finance an expansion. On November 1, 1962, SBA approved a $50,000 loan to remodel, equip, and stock a new branch store.

The first year following the SBA loan, the business made a profit of $13,565 on sales of $173,389. Profits were $14,206 on sales of $240,786 in 1964 with profits of $55,206 and $36,483 on sales of $381,984 and $457,587 in 1965 and 1966, respectively. Operations continue to be conducted on a profitable basis for the current 6-month period with profits reported at $81,136 on sales of $339,766.

Since the SBA loan was made, four new locations have been added making a total of seven branches. The entire operation has increased its number of employees to 65 persons.

Mr. Speaker, this success story is but one of many which resulted from the initiative and bold imagination of a small business enterpreneur and the long-term lending program of SBA. Under the progressive leadership of the newly apopinted Administrator, Robert C. Moot, the Small Business Administration is providing the expertise in financial and management assistance called for by the Congress when it established the agency in 1953.

FARM BUREAU PRIVATELY JARRED BY RESNICK ATTACK ON TAX STATUS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, we are all familiar with the efforts of our distinguished colleague from New York [Mr. RESNICK] to shed light on the varied and farflung activities of the American Farm Bureau Federation. However, the results of his investigation and his accomplishments thus far are not widely enough known.

The New York Times of Sunday, October 15, 1967, described the Farm Bureau's insurance and other business activities. I was particularly disturbed to read about its rightwing activities and its attempts to influence our rural youth toward its narrow political beliefs.

The primary significance of the Times article is that it provides a totally independent documentation and confirmation of our distinguished colleague's charges. The reporter, Mr. Doug Kneeland, made his own investigation of the charges before he wrote the story. He spoke with the parties involved and at no time did they deny or refute any of the allegations made.

Mr. Speaker, the American Farm Bureau is an extremely powerful force in the rural life of our country. Indeed, because of its business and lobbying activities, its power extends far beyond rural America. It seeks a national political role as well. It is an organization that lobbies before the Congress as a representative of the American farmer, but as the Times story indicates, it is apparently much more than this.

Mr. Speaker, I feel that it is important that we in the Congress know exactly to whom we are speaking when we are approached by this lobbying organization, and I believe that it is even more important for the American people to know the political role which this "farmers" organization seeks. Therefore, I insert this article in the RECORD at this point:

> TAX STATUS FIGHT JARS FARM GROUP—BUREAU IS PRIVATELY SHAKEN BY RESNICK'S ATTACKS ON IT AS BUSINESS EMPIRE
>
> (By Douglas E. Kneeland)
>
> KANSAS CITY, October 14.—Since last June, the American Farm Bureau Federation has been playing a quietly distainful Goliath to the belligerent David of Representative Joseph Y. Resnick.
>
> Nevertheless, the top officials of the 1.7 million-member organization privately are displaying uneasiness over the four-month attack by the upstate New York Democrat.
>
> He has charged repeatedly that the Farm Bureau has used its status as a tax-exempt organization ostensibly devoted to the welfare of farmers to build a "gigantic, interlocking nationwide combine of insurance companies and other businesses."
>
> MILLIONAIRE IN CONGRESS
>
> Furthermore, he insists, through its affiliates in 49 states (all but Alaska) and Puerto Rico, the farm bureau has become a channel for rightwing propaganda.
>
> The farm bureau, for the most part, has publicly ignored Mr. Resnick, a stocky, cigar-smoking millionaire, who grew up on a farm in Ellenville, N.Y., and is chairman of the House Agriculture Committee's subcommittee on rural development.
>
> An informal four-week inquiry shows that the farm bureau is, in many ways, all it claims to be.
>
> Thousands of the country's best farmers are among its members. Farm bureau signs are tacked proudly to houses, barns and mailboxes along the straight gravel roads that part the corn and wheat fields of the Middle West.
>
> They dot the byways through the vineyards of California, the cotton and tobacco country of the South and the rocky hills of New England.
>
> But the American Farm Bureau Federation and its affiliates are more—much more—than an agricultural organization.
>
> The bureau and its affiliates control an empire of 92 insurances companies, with assets of about $1.2-billion, and a vast network of other businesses.
>
> These commercial interests sell to the farmer or buy from the farmer. Moreover, an impressive percentage of farm bureau

members are not farmers at all, but simply customers who pay dues to purchase relatively cheap insurance.

Roger Fleming, who, as secretary-treasurer of the American Farm Bureau Federation, runs its Washington office, estimates that 75 per cent of the members have a substantial interest in farming.

Nonetheless, Mr. Fleming, a rugged 52-year-old who has nourished the flat accents and down-home talk of his native Iowa through 19 years in Washington, said in an interview recently that he had never been able to get an accurate breakdown from the states on their nonfarm membership.

Mr. Resnick and other critics have frequently charged that no more than half the organization's members are farmers.

Because of the vagueness about its membership and its constant attacks on government agricultural programs endorsed by the other major farm groups, opponents of the farm bureau are swift to anger when it flaunts its 1.7 milion members at Washington hearings and proclaims itself "the voice of agriculture in public affairs."

While the farm bureau operates openly as a lobby, its activities in the right-wing arena are not so generally known. Moreover, the national organization does not readily acknowledge these activities, remaining in the background while a growing number of its state affiliates openly promote the ideology of the far right.

State newsletters abound with editorials echoing the preaching of some right-wing conservatives and advertisements for the writing of others. The right-wing columnists get prominent display. Adult and youth "freedom forums" or "citizenship seminars" consistently feature ultra-conservative speakers.

Farm bureau members often receive unsolicited right-wing literature. Farm bureau women are urged through their own organizations to get anti-Communist books and conservative economic texts placed in school libraries.

Well known members of the John Birch Society and similar groups appear frequently on farm bureau platforms.

In several states, moreover, there is an increasing identity of interest and an apparent overlap in membership between the farm bureau and the Birch Society.

As long ago as 1964, Senator Milton R. Young, the North Dakota Republican, charged that the farm bureau in his state had been infiltrated by the John Birch Society.

In a recent interview, a leading North Dakota official said this was still so.

"They're the same people who are running the Taxpayers Republican ticket against the regular Republicans in next year's primary. It's the farm bureau and the Birchers," he said.

One late bit of news from Rosemary M. Landsberger, a Taxpayers Republican candidate, is that "the Communists everywhere are openly on the side of the liberal Democrats and the yes-men liberal Republicans."

In a telephone interview, Clark Robinson, president of the North Dakota farm bureau, said:

"I can tell you very little. I don't know which of our members belong to the John Birch Society. I don't think it's any of our business what a person belongs to.

SIMILARITY OF VIEWS

"We have, of course, something in common in philosophy with several organizations, including the John Birch Society.

"I haven't ever belonged, but I've read their Blue Book and some of the stands they take are the same as some of ours. Some of the methods they use, I'm quite sure we wouldn't use."

As for the Taxpayers Republican ticket, he said:

"I know a lot of folks who are running on the ticket. To my knowledge, none of them are in farm bureau leadership positions now, although they may have been."

A South Dakotan deeply involved in politics said that in his state "the farm bureau and the Birch Society are synonymous."

Thomas McNenny, president of the South Dakota farm bureau, denied this. Speaking by telephone from his home in Sturgis, he said:

"We're not associated with it in any way that I know anything about. As far as I know, none of the state leaders are members. Some of the county officers may be, but not that I know of."

The Johnson County farm bureau in Wyoming has adopted a resolution praising the Birch Society as "the most effective opposition to the advancement of Communism yet organized."

In Nebraska, Bernie Camp, the editor of the state farm bureau newspaper, who is a frequent advocate of right-wing doctrine, praised John A. Stromer's "None Dare Call It Treason," and then added:

"I suppose recommending this book labels me as a far-righter, but I've personally about reached the point in this loose use of descriptive phrases that such a term no longer bothers me."

In an interview, a former editor from a small town in Minnesota expressed concern over the farm bureau's right-wing indoctrination of youngsters.

"They send kids off to these Birch-type summer camps," he said, "and they come back really believing this stuff."

"We've even had some of them who were convinced that fluoridation was a Communist plot to weaken the country," he declared.

The youth meetings sponsored by the bureau usually last two to five days. At least six states—Kansas, Missouri, Michigan, North Dakota, South Dakota, and Texas—had them last summer.

A number of other state bureaus send students to seminars each summer on the campuses of Harding College in Searcy, Ark., and Oklahoma Christian College in Oklahoma City.

Harding, widely recognized as a right-wing institution is the home of the National Education Program, a fountainhead of conservative pamphlets, films and speeches. Dr. George S. Benson, director of the National Education Program, is president emeritus of Harding and chancellor of Oklahoma Christian.

A COLUMNIST, TOO

Dr. Benson writes a column that often appears in state farm bureau newspapers. He also speaks at most farm bureau youth forums.

The most recent youth forum was the fifth annual "Citizenship Seminar," sponsored by the Texas Farm Bureau.

A total of 377 high school juniors and seniors, whose tuition, room, board and transportation were paid by 138 county farm bureaus, attended the session on the Baylor University campus at Waco.

The students, who were "chosen on the basis of outstanding scholastic achievement and leadership ability," were expected to pass on their seminar experiences by speaking before groups in their own areas.

The five-day seminar was made up of "courses on citizenship responsibilities, the American heritage, and the threat of Communism."

Dr. Benson did not attend the Texas meeting, but several other professional right-wing speakers, who frequently participate in farm bureau forums, did.

They were:

Dr. Clifton L. Ganus Jr., president of Harding College; Dr. C. L. Kay, vice president of Lubbock Christian College; Melvin Munn, writer and commentator for the "Life Line" radio programs sponsored by H. L. Hunt, the Texas conservative; John Noble of Muncy, Pa., author of "I Was A Slave in Russia" and "I Found God in Soviet Russia," and W. Cleon Skousen, who is a former agent of the Federal Bureau of Investigation and a former chief of police in Salt Lake City. Mr. Skousen wrote of police in Salt Lake City. Mr. Skousen wrote "The Naked Communist."

Another frequent tutor at farm bureau citizenship seminars is Dr. Nicholas Nyaradi. Dr. Nyaradi, director of the School of International Studies at Bradley University in Peoria, Ill., was Minister of Finance in Hungary before fleeing that country in 1948.

In July, Dr. Nyaradi and Mr. Skousen spoke in Boston at the New England Rally for God, Family and Country, which its sponsors called an "annual reunion for conservative Americans."

A few years ago, Dr. Benson wrote in his National Education Program Letter:

"Any American who loves freedom and is willing to work, work, to protect it can find intelligent direction and companionship in the John Birch Society groups."

The list of connections between farm bureau speakers and the right wing could go on, but they would be incomplete without mentioning Charles B. Schuman, the president of the American Farm Bureau Federation, and his appearances on the Manion Forum radio programs.

On July 30, for instance, Dean Clarence Manion, the Birch Council member from South Bend, Ind., introduced Mr. Schuman on his program as "the freedom fighter of American agriculture."

Mr. Schuman and Mr. Fleming also have spoken at Harding College, but Mr. Fleming professes scant knowledge of the youth forums

RUN BY STATE UNITS

After declaring that he thought there were only two youth forums this summer, in Missouri and North Dakota, he said:

"Let me say I've not attended one of them and they are put on by the state farm bureaus. They don't have to get permission from us.

"These two forums I'm talking about, I've never seen their programs, but it would seem to me they have a patriotic tinge."

As for the consistently right wing character of the speakers, he said:

"Dr. Benson is a fine old gentleman. I've been on programs with Nyaradi and I'm happy to be identified with him. I suppose our program would be better balanced if we had some hippies on it, but our young people haven't taken that up."

The mainspring for the conservative activities of the state units appears to stem from the national organization's policy statement, to which members are expected to subscribe.

Under the heading "Farm Bureau Beliefs," it says:

"That the centralization of power and authority in the Federal Government, the movement to socialize America, the apathy of the American people toward this trend, and the apparent lack of responsibility on the part of individual citizens are among the greatest dangers threatening our Republic, and our system of competitive enterprise.

"That the trend toward increased centralization of power in the Federal Government has led us far into socialism, which is the stepping stone to communism.

"That such 'planned economy' concepts as socialism, fascism, communism, and other forms of totalitarianism should be opposed wherever and in whatever form they may be found."

THE CHAMIZAL SOLUTION A MORAL VICTORY FOR DEMOCRACY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. WHITE] 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 Hawaii?

There was no objection.

Mr. WHITE. Mr. Speaker, on October 28, President Lyndon B. Johnson, of the United States, and President Gustavo Diaz Ordaz, of Mexico, will meet in my home city of El Paso and in the neighboring city of Juarez, Mexico, to formally transfer some long-disputed territory under the historic Chamizal Treaty. One strip of land will be transferred from the United States to Mexico, and another from Mexico to the United States.

These transfers, Mr. Speaker, stand as an example to all the world of the triumph of reason, of the mutual trust of good neighbors, and of faith that the troubles of the world can be settled at the conference table when both sides enter into negotiations in a spirit of mutual respect and trust.

As an outsanding example of the high respect in which the United States is held in our sister republic as the Chamizal Treaty is being consummated, I include in the RECORD an article from the special issue of the magazine Amigos, printed in Ciudad Juarez, Mexico, commemorating the historic meeting of Presidents next week. This article was written for Amigos by a distinguished Mexican lady, Alma Carreño de Delgadillo.

Señora Delgadillo had served under the appointment of President Adolfo Lopez Mateos as a member of a Mexican committee to aid in the settlement of the Chamizal dispute. Because of a severe illness, she was unable to attend the meeting of Presidents Johnson and Lopez-Mateos at the border on September 25, 1964. Mr. Jorge Bate, editor of Amigos, informs me that the article here appended was written in the hospital during Señora Delgadillo's final illness. She died on May 30 this year. Her eloquent words, I am sure, reflect the feelings of millions of our friends and good neighbors in the Republic of Mexico.

The article follows:

THE CHAMIZAL SOLUTION A MORAL VICTORY FOR DEMOCRACY

(By Alma Carreño de Delgadillo)

In this troubled world of Berlin walls, guerrilla warfare, cold wars and distrust; where frontiers are not geographical delineations but fierce military installations, and in times when small nations play a game of mortal chess with international politics by setting a leading power against another, an oasis in peace is found in the solution of a century old problem that existed between the United States and Mexico.

Is there a victor? A loser? Yes, by all means! War, hate, misunderstanding lost an ace, when these two Countries gave the world a lesson of how barriers can be torn down in a truly civilized democracy.

The issue at stake was, in a material sense, small, in a moral one, a great one because it was not a matter for the President of Mexico to call on the President of the United States and with all good will make arrangements towards a just treaty. Many factors were involved. Time had passed to erase the exact point where the Rio Grande had begun its constant changes, some times towards the north and others towards the south.

People on both sides of the border who did not even know that the word "Chamizal" existed, much less had an idea where the territory was located, became instant experts in geography, engineering, international relations, treaties and accomplished accountants of every inch of ground involved. On one side of the border, the "Chamizal" was instantly located near the border of Canada, to the north; on the other side it was wished near Guatemala, to the south. There were things that contributed to more confusion, and in Mexico is was argued that the City of El Paso or some authority had a plaque on the walls of the White House Department Store that said: "On this spot then near the River . . . Juan Maria Ponce de Leon built his house." The date on the plaque: 1827. No one doubts that Ponce de Leon built his house there and the people who placed the marker must have proof of that but in the year 1827 Texas was part of the Republic of Mexico, so Ponce de Leon built his house on Mexican territory. The year . . . 1848 and the Treaty of Guadalupe Hidalgo is the important date to be kept in mind because it says that the Rio Grande was the boundary between the two Nations, at this part of Mexico and Texas. Sudden change in the River from then on would be subject to what international treaties specify on such cases; the land left to the north of the Rio Grande would continue to belong to Mexico as it would belong to the United States in case the River shifted suddenly to the contrary. Gradual erosion is another thing because the land then belongs to the part favored, as it is provided for in Articles I and II of the Treaty of Guadalupe Hidalgo.

The River changed many times causing severe floods and making it almost impossible to determine the "dividing line that shall forever be described" by the Treaty of 1848.

Mexico never ceased to claim and reclaim The Chamizal and in true justice, the United States never denied the right of its neighbor; no Federal projects were built, no legal titles to the land were given. In 1852 President Benito Juarez gave instructions to the mexican Ambassador to present a formal claim. Negotiations began, and in the year of 1889 the International Boundary Commission was formed with a representative of each Country. An attempt was made to settle the case and it was agreed to take it to international arbitration or what is called in this case "The Convention of 1910". Three persons would sit in judgement and the third, was Eugene Lafleur of Canada with Mexico and the States as the other two.

Lafleur gave his decision favorable to Mexico but the american representative did not accept. Here, it seems, the difference in the values or meaning of words was one of the motives for the american protest. "Slow and gradual" were the key words. Had the River changed gradually or slowly? The River refused an answer and perhaps gave both nations a few extra floods to keep them worried.

During the following years many attempts were made to find an answer that would satisfy all, according to the laws of both Countries. International Boundary Commissioners with their staff of experts, engineers and advisors kept a constant pace of investigations. The files of the respective offices have hundreds of documents to verify this. In some instances, it was censured, because the general public had no information regarding their findings but all was not published because it was necessary to do it in a confidential manner to give the real experts, the ones that knew the case, a chance to work without pressure from the public or to keep it out of political issues. The ones that should know, the Presidents of the Republics and the Foreign Relations Offices were well informed of every step and every thing that was found either in favor or against.

History took a hand when an American President John Fitzgerald Kennedy admired and respected in the whole world made a visit to Mexico: he was welcomed by one of the most progressive Presidents of our Country, a man that has made peace a symbol of his life: Adolfo Lopez Mateos. Both agreed that words alone have no meaning so they translated them into action and an agreement was reached towards the Chamizal solution.

One hundred years of anxious waiting and all was settled! Or . . . was it? The tragedy that took the life of the Great American robbed the world of a champion and in Mexico the loss was felt deeply and sincerely. After the shock, a disturbing thought came into the minds of many: the successor to Mr. Kennedy is a texan. The Chamizal is on the Texas side of the border! Mexican people knew well Mr. Lyndon B. Johnson, the Seantor, the Vice President, but no one knew President Johnson. His speeches were closely followed and a clue was promptly found, because he had said once: "I am first, an American". And this American, born in Texas was the one that signed the Treaty returning the Chamizal to Mexico and now, indeed, one hundred years of problems had come to an end.

The City of El Paso, the one most near to the problem always took a stand on the matter that should be noted for posterity because pushing aside egoistic sentiments gave gracefully to justice an approving nod. The return of the Chamizal gave this City one more desire to better itself and plans are being carefully drawn to develop the area facing the Chamizal. Under the terms of the Convention of February 1st. . . . 1933 that deals with the rectification of the Rio Grande, for the prevention of floods, land in El Paso was exchanged for land from the northern section of Cordova Island. These plans, on the American side mean that, if approved, a Border Highway will be built along the rectified banks of the Rio Grande, connecting it with the National Highway System. This would improve traffic circulation within the City and provide an international route to Mexico.

A National Memorial Park that would beautify the area and would complement Mexican plans that will be made a reality in the Chamizal area. Among other things, the relocation of Bowie High School and Vocational School are being planned on 50 to 60 acres of land received in exchange.

Mexico has its program called "Programa Nacional Fronterizo" (National Frontier Program) and outstanding buildings of ultra modern architecture can now be seen. Many more are being built and once the actual return of the Chamizal is made, others shall come.

Ciudad Juarez in Mexico and El Paso in the United States are two cities that can be offered as an example of how freedom and democracy live side by side. There are no soldiers with guns guarding the border there are no barriers; a few Customs and Immigration men see that the law is obeyed in a simple way. They fight disease as a joint measure to protect the people: tuberculosis, rabies, mosquito control are the enemies they see. Young and old cross the border many times a week or many times a day. If an injustice is made, and always by some minor officer, it is at once corrected by higher officials. If a celebration is taking place civil and military authorities from both sides of the border are seen together. Newspapers in english are read widely in Ciudad Juarez and mexican newspapers are in hundreds of homes in El Paso. This proves that man does not need the same culture, the same background, the same history it only needs the moral and spiritual qualities, to live with dignity among other men.

NEED FOR AN INDEPENDENT FEDERAL MARITIME ADMINISTRATION

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. O'NEILL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. O'NEILL of Massachusetts. Mr. Speaker, I am happy to have been one of 104 Members of the House of Representatives who sponsored legislation similar to that passed yesterday to give independent, agency status to the Maritime Administration.

The overwhelming approval of H.R. 159, which was passed by a vote of 324 to 44, demonstrates the importance of this measure and the realization by Members of the House, that this change is vital if we are to retain any semblance of a merchant marine.

We have discussed many statistics, figures, and facts in relation to this bill and the history of the merchant marine of the United States. I must commend the Committee on Merchant Marine and Fisheries for clearly and fulling stating its case and analyzing the problem. But of all the figures that bear on the problem, I think perhaps four numbers are most important. These numbers are 6, 8, 14, and 50.

No. 6. The United States which was once first in shipping in the world, is now sixth. It is no longer true that he who rules the seas, rules the world, and we have no wish to rule the world. But it is true that those nations that can compete vigorously in shipping, can compete in world trade and defend their interests. Nations which have maintained their shares in world shipping have continued to compete and hold their place in world markets without depending on military strength.

No. 8. Only 7 to 8 percent of our shipping trade is carried in our own American-flag vessels. This has meant virtual destruction of the American shipbuilding industry. Yards that were thriving 20 years ago have been closed down; men have lost jobs; and vital skills will disappear if the trend continues. We simply do not have enough of our own ships. We have had to revive ships that were destined to be scrapped in order to meet the needs of shipping for Vietnam. This is a deplorable situation and one that must be remedied. We cannot depend on foreign ships which depend on the highest bidder, which are restricted by other governments' policies. We must have a sufficient fleet at all times, to meet any emergency. At this time we have no margin of safety, no leeway. All of our ships are being used and we have no reserve in case of emergency.

No. 14. This follows immediately from the first two; the United States is 14th in shipbuilding. And let me repeat, the men who are skilled in this work will have to find other jobs in order to support their families; their skills will be lost and should we ever need them, we will be lost.

This also contributes to our problems with the balance of payments, as more and more money which is lost to American shipbuilders goes to foreign builders. A once thriving American industry will have disappeared if the trend of the reduction of the merchant marine continues.

This brings us to the fourth number, 50. I am really referring to 1950, for this is when the trend, the demise of the American merchant marine, began. The Merchant Marine Act of 1936 created a five-man Maritime Commission, independent of all other executive agencies.

Because this commission was independent and autonomous, and because it had the dynamic and brilliant leadership of Joseph P. Kennedy, the merchant marine industry in this country developed, grew, and thrived. The growth of American shipyards during the period of the independent commission is well-known to Members of this body. The shipyard industry not only produced a competitive merchant marine, but it supplied our Nation with the ships it needed during the crisis of the Second World War.

In 1950 independent status ended as the commission became part of the larger Department of Commerce. And with this administrative change came the end of the era of the greatness of the American shipping industry.

We know the success and usefulness of independent agencies. Without their independent status, would the Atomic Energy Commission have been able to supply our Nation with the research and results in the field of atomic energy that it has, or would NASA have been able to develop the far-reaching and growing program we have today in space, or would the Tennessee Valley Authority been able to develop an entire region of our country that had been given up for lost 35 years ago? I think not. Independence means authority and interest, and we can be assured that an Independent Federal Maritime Administration would be more interested in the development of the maritime industry than would any larger agency or department.

I am very happy that this bill has passed the House. But I am more than happy; I am relieved. Because I firmly believe that without independent status, the Maritime Administration would languish in the pigeonholes of bureaucracy and the shipping industry, which has done so much for our country's economic and military strength, would slowly pass away.

PRESS SUPPORT FOR THE GONZALEZ BILL TO STRENGTHEN THE RENEGOTIATION BOARD — FIFTH OF A SERIES

Mr. MATSUNAGA. 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 Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, this Congress is actively involved at present in the problems of inflation and Government spending. I wish to relate these twin issues to the Renegotiation Board, which is charged by law to determine and eliminate excessive profits realized by contractors and subcontractors in the defense and space programs.

There are many contributors to inflation; the extent of wage increases and the extent of profit increases number among them. Although the various Presidential wage guidelines have been designed to restrain the spiral affect of excessive wage boosts on inflation, there are no similar restraints on excessive profit boosts. However, in the field of defense contracts, the recovery by the Renegotiation Board of unjustified profits surely has had a salutary effect upon inflation.

One certain way to reduce spending is to recover spending. Here again, the Renegotiation Board is directly involved. Recovering spending on defense and space contracts which have been determined to be excessive profits is in fact the sole purpose of the Board. In fiscal year 1966, the latest year for which figures are available, the Renegotiation Board issued determinations of excessive profits in the amount of $24.5 million. Although some of these determinations are being appealed to the U.S. Tax Court, experience shows that nearly all of the 24.5 million will be returned to the Treasury. In addition, in fiscal 1966, the proceedings of the Board resulted in the voluntary price reduction or voluntary refund of $23.2 million to the procurement agencies involved.

In this connection, I ask my colleagues to note the remarks of the gentlemen conducting this year's Senate and House appropriations hearings, respectively, into the Renegotiation Board's appropriation:

> Senator ALLOTT. I think this is probably the most profitable part of our Government as near as I can see. You have done a fine job.[1]

And—

> Mr. EVINS. From a strictly monetary point of view you spend about $2½ million a year, and you return to the Government about $47 million. That is about a $45 million profit operation. From that purely monetary viewpoint alone this is one agency (whose) returns to the Government are more than its expenditures.[2]

For every $1 we spend on operating the Renegotiation Board, the Federal Government is better off by about $18. This figure results from a comparison of the Board's determination of total expenses of the Board with the total amount of excess profits returned to the Treasury or to the Government procurement agencies as result of the Board's procedures from its inception in 1952 to June 30, 1966. The total expense figure is $47,797,000. The excess profits figure is $861 million, a sum of $361,132,710, which is the excess profits, after tax adjustments

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[1] Senate Hearings. Independent Offices and HUD Appropriations, 1968 (H.R. 9960), Part 1. Page 55. Hearings of June 6, 1967.

[2] Independent Offices and Department of Housing and Urban Development Appropriations, 1968. Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives. Part 1, page 110. Hearings of February 20, 1967.

and credits, returned to the Treasury by the Board's determinations; and $500 million, an estimation of the after-tax-adjustment figure of the $1,269,802,673 in voluntary refunds and voluntary price reductions affected by the Board.

Can anyone quarrel with recovering $18 of spending on defense contracts for $1 of spending on the Renegotiation Board? Is this not in effect a reduction in Federal spending? Is not this what we in Congress are after?

The Renegotiation Board is hamstrung. It should be reviewing many more contractors and subcontractors than it is presently authorized to do. There is no reason why the 18-to-1 ratio of savings should not remain constant. I have introduced a bill, H.R. 6792, which would restore the original effectiveness of the Board and thereby recover more Government spending.

Mr. Speaker, to date I have received no support for my legislation to strengthen the Renegotiation Board from any Member of either body. However, several newspapers have supported my bill, and I have permission to insert the fifth in a series of these comments:

[From the Dayton, Ohio, Daily News, Aug. 11, 1967]

WAR PROFITEERING

Congressmen are rightly anxious that no American shirk his duty to his country. But Capitol Hill ought to be just as concerned about corporations taking advantage of the war situation by raking in excessive profits on defense contracts.

During wars, supplies are needed fast; competition is sidestepped; cost analyses are difficult. This produces the business swamp in which war profiteering is bred. The check against such profiteering is the Renegotiation board, created in 1942. The board has the power to demand that a contractor make a refund on profits at the end of the fiscal year if they are deemed excessive.

During World War II, $11 billion was refunded to the Treasury. Many firms are anxious to cooperate and others make voluntary refunds. But others are reluctant to repay; some are probably not caught.

Since 1954, Congress has reduced the board's authority by amendments. Rep. Henry Gonzalez (D-Tex) points out that the board originally could investigate contractors whose prime contract awards amounted to at least $250,000 in a fiscal year; that floor has been raised to $1 million. Many categories have been exempted from the board's authority, and the board has only one-quarter of the manpower it had during the Korean war. Some congressmen have tried to eliminate the board.

Rep. Gonzalez' bill would restore the board's authority, as ought to be done in light of the intensified Vietnam fighting and enormous jump in defense contracts. And if Congress cares enough about war profiteering to make a deep probe, as Defense Secretary Robert McNamara has suggested, the shock might produce even tougher controls.

WASHINGTON POST ARGUES FOR THE DICKEY-LINCOLN PROJECT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. HATHAWAY] 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 Hawaii?

There was no objection.

Mr. HATHAWAY. Mr. Speaker, I take this opportunity to thank all who have cooperated with me and assisted me in my efforts for the Dickey project.

I am grateful to the colleagues who have loyally and steadfastly stood beside me, to the interested and concerned organizations that have joined me in opposing the powerful forces alined against the project, and to New England's press and other media for their fair interpretation of facts and editorial support.

The people of New England, the great majority of whom favor construction of the project, have helped immeasurably by voicing their interest and their sentiments.

I am especially grateful for the enlightened and unselfish support that has come from other areas of the Nation. An example of such support is the excellent editorial which appeared in the October 17 issue of the Washington Post. It argues persuasively for the Dickey project and I would like at this point to insert it in the RECORD.

DICKEY-LINCOLN

Further planning funds for the Dickey-Lincoln Dam on the St. John River in Maine now depend on the House-Senate conferees on the public works appropriation bill and it is to be hoped they will act favorably.

The Senate approved the Administration's request for $1,676,000; the House did not approve it. The conferees should follow the Senate's lead. If they do not do so, previous appropriations of $1.9 million for planning this hydro-electric project will be rendered sterile. The project has had trouble in Congress at each appearance, notwithstanding the thorough House study it got in 1965 when it was authorized.

Demand for the plant arose out of the power plight of New England where rates are the highest in the country. Since it was authorized there have been some downward revisions on the mere prospect of the plant. It will surely perform such a "yardstick" service when built. The rate structure has handicapped New England in the competition for new industry. The lower rates of the TVA have enticed into the South some old industries it might have held. Congress, in simple justice, owes New England one such plant.

It has been argued that conventional hydroelectric plants are outdated; but they continue to be essential power suppliers, with a national prospect that capacity of such plants will double in the next 25 years. Plants like Dickey-Lincoln are being built right now. Their usefulness as peak-load suppliers makes them efficient complements to steam or thermonuclear plants. Private interests now are planning a large thermonuclear plant at Wiscaset, Maine, but no one believes that it will be adequate to all future needs in the region. Some voices have been raised against its effect on recreational and wildlife values; but the foremost defenders of such resources support the project as vastly superior to an alternative site that would affect the wild-river program on the Allagash.

The project has been thoroughly studied. It contemplates the addition to the Nation's power resources of an efficient supply that will be available to private distributors, municipalities and cooperatives in a region where there is a deficit and where rates are high.

DICKEY-LINCOLN SCHOOL PROJECT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. HATHAWAY] 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 Hawaii?

There was no objection.

Mr. HATHAWAY. Mr. Speaker, I rise to respond to the statements made here on Monday of this week by my colleague from Connecticut [Mr. GIAIMO], statements made in a further attempt to cast doubt on the merits of the Dickey-Lincoln School project.

In his statement Mr. GIAIMO asserts that "in 1965 the cost of power delivered wholesale to purchaser systems in Connecticut was 0.88 cents per kilowatt-hour," and that power from Dickey-Lincoln School "would be not less than 1.7 cents per kilowatt-hour." These figures mislead and do not accurately represent the cost of power from either source.

These figures pegged as the price for power in Connecticut are misleading because they represent the cost for a mixture of firm and peaking power. Even the 1.7 cents per kilowatt-hour for mixed Dickey power is not right.

The only Dickey power to be marketed in Connecticut will be peaking power, and so these mixed-power cost figures are irrelevant.

Connecticut Light & Power charges 31.76 mills to users of 100,000 kilowatts or less for peaking power, whereas the cost to the same customers for Dickey peaking power would be 20.1 mills. This comparison is based on the latest offered rates for Connecticut Light & Power including all discounts. Both cost figures would apply only to wholesale customers.

To get some notion of the dimensions of the cost differential, based on current rates, between Dickey peaking power and the Connecticut utility's best offered rate, consider the comparative cost of 100,000 kilowatts from the two sources. The cost for this power from the private utility would be $2,782,496 annually compared to $1,762,800 for Dickey power. The difference of $1,019,696 represents the annual savings if the 100,000 kilowatt-hours of peaking power could be purchased from Dickey by Connecticut electric utilities.

This annual saving over the 50-year payout period of Dickey would amount to $50,983,800. Over the conservatively projected 100-year life of the project, the savings would amount to $101,969,600 on the sale of 100,000 kilowatt-hours peaking power or one-seventh of Dickey's output. This hardly supports Mr. GIAIMO's contention that Dickey will produce high-cost power. The opposite is most decidedly the case.

The Representative from Connecticut's suggestions that the Dickey project is too costly, and his hints that its construction would not be economically possible have been totally discredited.

In sending Dickey to the House in the Public Works and Atomic Energy Commission appropriations bill earlier this year, our Appropriations Committee stated clearly that the project has been found to be feasible from an economic standpoint, and said it would return $1.90 for every dollar expended on it. No dissenting Dickey views were filed with the committee's report.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TENZER, for October 18, 1967, from 4 p.m., and for balance of week, on account of observance of religious holiday (Succoth) Feast of Tabernacles.

Mr. CULVER (at the request of Mr. SMITH of Iowa), for today and tomorrow, 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. HANLEY, for 15 minutes, on October 26; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. ESCH) to revise and extend their remarks and include extraneous matter:)

Mr. RUPPE, for 45 minutes, today.

Mr. FINDLEY, for 1 hour, on October 30, 1967.

Mr. REUSS (at the request of Mr. MATSUNAGA), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. SAYLOR.

(The following Members (at the request of Mr. ESCH) and to include extraneous matter:)

Mr. CUNNINGHAM.

Mr. HOSMER.

Mr. PETTIS.

Mr. GUDE.

Mr. REINECKE.

Mr. HORTON.

Mr. LUKENS.

(The following Member (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. KEE.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 43. An act for the relief of Mi Soon Oh;

S. 63. An act for the relief of Dr. Enrique Alberto Rojas-Vila;

S. 64. An act for the relief of Dr. Luis Osvaldo Martinez-Farinas;

S. 221. An act for the relief of Dr. Armando Perez Simon;

S. 440. An act for the relief of Dr. Julio Alejandro Solano;

S. 733. An act for the relief of Sabiene Elizabeth DeVore;

S. 821. An act for the relief of Dr. Julio Domingo Hernandez;

S. 975. An act for the relief of Mitsuo Blomstrom;

S. 1021. An act for the relief of Antonio Luis Navarro;

S. 1106. An act for the relief of Dr. David Castaneda;

S. 1110. An act for the relief of Dr. Manuel Alpendre Seisdedos;

S. 1197. An act for the relief of Dr. Lucio Arsenio Travieso y Perez;

S. 1269. An act for the relief of Dr. Gonzalo Rodriquez;

S. 1279. An act for the relief of Dr. Francisco Montes;

S. 1280. An act for the relief of Dr. Alfredo Pereira;

S. 1458. An act for the relief of Lee Duk Hee;

S. 1471. An act for the relief of Dr. Hugo Gonzalez;

S. 1482. An act for the relief of Dr. Ernesto Nestor Prieto;

S. 1525. An act for the relief of Dr. Mario R. Garcini;

S. 1557. An act for the relief of Dr. Carlos E. Garciga;

S. 1647. An act for the relief of Dr. Maria del Carmen Trabadelo de Arias;

S. 1678. An act for the relief of American Petrofina Co. of Texas, a Delaware corporation, and James W. Harris;

S. 1709. An act for the relief of Dr. Antonio Martin Ruiz del Castillo;

S. 1748. An act for the relief of Dr. Ramiro de la Riva Dominguez;

S. 1938. An act for the relief of Dr. Orlando Hipolito Maytin; and

S.J. Res. 112. Joint resolution extending the time for filing report of Commission on Urban Problems.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 23 minutes p.m.), the House adjourned until tomorrow, Thursday, October 19, 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:

1167. A letter from the Governor, Farm Credit Administration, transmitting a draft of proposed legislation to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

1168. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the recovery from tortiously liable third persons of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia to officers and members of the Metropolitan Police force and of the District of Columbia Fire Department; to the Committee on the District of Columbia.

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. POAGE: Committee on Agriculture. S. 219. An act to authorize the Secretary of Agriculture to sell certain land in Lander, Wyo., and for other purposes (Rept. No. 792). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. H.R. 470. A bill to authorize the Pharr Municipal Bridge Corp., to construct, maintain, and operate a toll bridge across the Rio Grande near Pharr, Tex.; with amendment (Rept. No. 793). Referred to the House Calendar.

Mr. STAGGERS: Committee of conference. S. 1160. An act to amend the Communications Act of 1934 by extending and improving the provisions thereof relating to grants for construction of educational television broadcasting facilities, by authorizing assistance in the construction of noncommercial educational radio broadcasting facilities, by establishing a nonprofit corporation to assist in establishing innovative educational programs, to facilitate educational program availability, and to aid the operation of educational broadcasting facilities; and to authorize a comprehensive study of instructional television and radio; and for other purposes (Rept. No. 794). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CEDERBERG:

H.R. 13559. A bill to amend the Internal Revenue Code of 1954 to grant to certain joint endeavors organized by hospitals the same tax exemptions as are accorded to the participating hospitals; to the Committee on Ways and Means.

By Mr. HARRISON:

H.R. 13560. A bill to designate the Stratified Primitive Area as a part of the Washakie Wilderness, heretofore known as the South Absaroka Wilderness, Shoshone National Forest, in the State of Wyoming and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARSHA:

H.R. 13561. A bill to limit the quantity of baseball and softball gloves and mitts which may be imported into the United States; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 13562. A bill to require reports to Congress of certain actions of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Pennsylvania:

H.R. 13563. A bill to amend title 38 of the United States Code so as to provide that monthly social security benefit payments shall not be included as income for the purposes of determining eligibility for a pension under title 38; to the Committee on Veterans' Affairs.

By Mr. KUPFERMAN:

H.R. 13564. A bill to provide that individuals living in large cities shall be exempt from any surtax or other income tax increase enacted during 1967; to the Committee on Ways and Means.

H.R. 13565. A bill to amend the Internal Revenue Code of 1954 to provide a 10-percent credit against the income tax for individuals living in large cities; to the Committee on Ways and Means.

By Mr. MORRIS (for himself and Mr. WALKER):

H.R. 13566. A bill to impose annual quotas of potassium chloride or muriate of potash which may be imported into the United States; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 13567. A bill to provide for a Federal Athletic Commission to regulate organized sports when and to the extent that such regulation is in the public interest; to the Committee on Interstate and Foreign Commerce.

By Mr. OLSEN (for himself and Mr. BATTIN):

H.R. 13568. A bill to create a human resources center to provide a location for various training centers and programs, and for other purposes; to the Committee on Education and Labor.

By Mr. POOL:

H.R. 13569. 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. McCLURE (for himself, Mr. BATTIN, Mr. HANSEN of Idaho, Mr. POLLOCK, Mr. RHODES of Arizona, and Mr. STEIGER of Arizona):

H.R. 13570. A bill to provide for the appointment of additional circuit judges; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. BARING, Mr. MATSUNAGA, Mrs. MINK, and Mr. OLSEN):

H.R. 13571. A bill to provide for the appointment of additional circuit judges; to the Committee on the Judiciary.

By Mr. BURTON of Utah:

H.R. 13572. A bill to require reports to Congress of certain actions of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. LENNON:

H.R. 13573. A bill to amend title 10 of the United States Code to prohibit demonstrations at the Pentagon relating to the Armed Forces of the United States; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.R. 13574. A bill to amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOLLAND:

H.J. Res. 895. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

By Mr. ROBERTS:

H.J. Res. 896. Joint resolution designating the rose as the national flower of the United States; to the Committee on House Administration.

By Mr. SCHADEBERG:

H.J. Res. 897. Joint resolution authorizing the President to proclaim the period September 15 through October 15 of each year as Youth Activities Month; to the Committee on the Judiciary.

By Mr. SKUBITZ:

H.J. Res. 898. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

By Mr. BURTON of Utah:

H.J. Res. 899. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

By Mr. RUPPE (for himself, Mr. GERALD R. FORD, Mr. MORSE, Mr. ESCH, Mr. DUNCAN, Mr. SCHNEEBELI, Mr. POFF, Mr. HATHAWAY, Mr. QUIE, Mr. ANDERSON of Illinois, Mr. LLOYD, Mr. CEDERBERG, Mr. HARVEY, Mr. McDONALD of Michigan, Mr. HECHLER of West Virginia, Mr. ZWACH, Mr. VANDER JAGT, Mr. JOHNSON of Pennsylvania, Mr. PRICE of Texas, Mr. O'KONSKI, Mr. BLACKBURN, and Mr. DOLE):

H.J. Res. 900. Joint resolution to establish a Commission on Balanced Economic Development; to the Committee on Interstate and Foreign Commerce.

By Mr. TENZER:

H. Con. Res. 536. Concurrent resolution providing that it is the sense of the Congress that the President should submit a resolution to the United Nations for final and binding improvement of peace in Southeast Asia in accordance with the appropriate article of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. FULTON of Pennsylvania:

H. Con. Res. 537. Concurrent resolution expressing the sense of Congress that the United States should have one uniform nationwide fire reporting telephone number and one uniform nationwide police reporting telephone number; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALLEY:

H. Con. Res. 538. Concurrent resolution expressing the sense of Congress that the United States should have one uniform nationwide fire reporting telephone number and one uniform nationwide police reporting telephone number; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 13575. A bill for the relief of Benedetto Cortagiani; to the Committee on the Judiciary.

By Mr. CASEY:

H.R. 13576. A bill for the relief of Ernesto Othomaro Beltran Zepeda also known as Othomaro Beltran; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 13577. A bill for the relief of Dr. Luis Narciso Gonzalez y Fleites; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 13578. A bill for the relief of Mrs. Giuseppa Mangiamele; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 13579. A bill for the relief of Alfio Margiotta; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 13580. A bill for the relief of Bruna Molinari; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 13581. A bill for the relief of Elizabeth Currado; to the Committee on the Judiciary.

By Mr. ROONEY of New York:

H.R. 13582. A bill for the relief of Dr. Josefina F. Pilpil; to the Committee on the Judiciary.

By Mr. SCHADEBERG:

H.R. 13583. A bill for the relief of Mrs. Ewa Kraus Hann; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

184. The SPEAKER presented a petition of the city of Newport Beach, Calif., relative to Federal tax sharing, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

William F. Houck, National Adjutant of American Legion

EXTENSION OF REMARKS

OF

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 18, 1967

Mr. GUDE. Mr. Speaker, I would like to take this opportunity to honor Mr. William F. Houck, who today was named as national adjutant of the American Legion on the recommendation of the National Commander William E. Galbraith and with the concurrence of the Legion's National Executive Committee.

William Houck has been serving as acting national adjutant of the American Legion, the world's largest veterans organization, since the close of the 1967 national convention on August 31 of this year.

He is the ninth man to hold the position of chief administrative officer of the 2½-million member organization and he will be responsible for the direction and supervision of the Legion's national headquarters staff of 390 full-time employees located in Washington, D.C. and New York City.

Born in Holgate, Ohio, on March 17, 1917, he moved with his family to Garrett, Ind., at an early age. When World War II broke out he served his country as a lieutenant with the U.S. 28th Infantry and saw action in France, Germany, Luxembourg, and Belgium. Wounded by a landmine, he was returned to the United States in April 1945.

He was retired from active service on disability and returned to Indiana, where he became active in the American Legion. He was affiliated with the Aaron Scisinger Post 178 in Garrett, and was recently awarded a life membership by the post. In 1945 he was named assistant deputy adjutant of the American Legion of Indiana and 4 years later appointed to the position of deputy adjutant. In 1952 he joined the national headquarters staff of the American Legion and was named director of the Legion's Washington, D.C., office and he was serving as executive director of the Washington office at the time of his appointment as acting national adjutant.

I am proud to say that Mr. Houck resides in my congressional district, at 8517 Rayburn Road, Bethesda, Md., with his wife, the former Miss Meredith Ann Walter, of Garrett, Ind., and their daughter, Cecilia.

It is an honor for me to call attention to this outstanding American upon his achievement. I wish him the very best of luck in his new position with the Legion, and I am confident that he will continue to do an excellent job.

Double Duty

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 18, 1967

Mr. SAYLOR. Mr. Speaker, there is a lesson for all in the career of Raymond