to assist the States in conducting similar conferences on aging prior to the White House Conference on Aging, and for related purposes; to the Committee on Education and Labor.

By Mr. PATMAN:

H. Con. Res. 575. Concurrent resolution to express the sense of Congress with respect to an investigation and study to determine the potential of railroad passenger and mail transportation in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California:

H. Con. Res. 576. Concurrent resolution concerning the development of the ocean floor through international cooperation; to the Committee on Foreign Affairs.

By Mr. SCHEUER:

H. Con Res. 577. Concurrent resolution concerning the development of the ocean floor through international cooperation; to the Committee on Foreign Affairs.

By Mr. DERWINSKI:

H. Res. 968. Resolution to express the sense of the House of Representatives against the persecution of persons by Soviet Russia because of their religion, race, or nationality; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 13907. A bill for the relief of Lesvia M. Doukellis; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 13908. A bill for the relief of Maria Cavallo; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 13909. A bill for the relief of Domenico La Forgia; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.R. 13910. A bill for the relief of Riley C. Melton; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 13911. A bill for the relief of Lt. (jg.) George T. Ankrum; to the Committee on the Judiciary.

By Mr. MEEDS:

H.R. 13912. A bill for the relief of Angeliki Giannakou; to the Committee on the Judiciary.

By Mr. REES:

H.R. 13913. A bill for the relief of Miss Kotoko Abe; to the Committee on the Judiciary.

H.R. 13914. A bill for the relief of Miss Lolita J. Jaramilla; to the Committee on the Judiciary.

H.R. 13915. A bill for the relief of Mr. and Mrs. Andres Nathan; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 13916. A bill for the relief of Rachel F. Fuentes; to the Committee on the Judiciary.

SENATE

TUESDAY, NOVEMBER 7, 1967

The Senate met at 12 o'clock meridian, and was called to order by the Acting *President pro tempore* (Mr. METCALF).

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

Almighty God, who art the abiding peace of the universe, we bow before Thee in humility and reverence. In the mercies of yet another day, we come with hearts grateful for Thy grace, praying that, by a strength not our own, our individual record may be kept by any word or act unworthy of our best.

To Thee we lift our hearts in prayer, bringing nothing but our need and the adoration of our contrite spirits. From Thy hands we have received the gift of life, the blessings of home and of friendship, and the sacrament of beauty. In the fullness of Thy mercy Thou hast given us work to do and the strength wherewith to do it.

Inspire and guide with Thy spirit these servants of the people—the few among the many—lifted to high pedestals of power and responsibility, to the end that they may be found faithful stewards of the Nation's trust.

Set our feet on lofty places,
Gird our lives that they may be
Armored with all Christlike graces
In the fight to set men free;
Grant us wisdom, grant us courage
That we fail not man nor Thee.

In the dear Redeemer's name. Amen.

THE JOURNAL

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, November 6, 1967, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had pasesd, without amendment, the following bills and joint resolution of the Senate:

S. 219. An act to authorize the Secretary of Agriculture to sell certain land in Lander, Wyo., and for other purposes;

S. 423. An act authorizing the use of additional funds to defray certain increased costs associated with the construction of the small-boat harbor at Manele Bay, Lanai, Hawaii, and for other purposes;

S. 1391. An act to cancel certain construction costs and irrigation assessments chargeable against lands of the Fort Peck Indian Reservation, Mont.;

S. 2179. An act to extend for 3 years the special milk programs for the Armed Forces and veterans hospitals; and

S.J. Res. 114. Joint resolution extending the duration of copyright protection in certain cases.

The message also announced that the House had passed the bill (S. 780) to amend the Clean Air Act to authorize planning grants to air pollution control agencies; expand research provisions relating to fuels and vehicles; provide for interstate air pollution control agencies or commissions; authorize the establishment of air quality standards, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S.J. Res. 33) to establish a National Commission on Product Safety, with amendments, in which it requested the concurrence of the Senate.

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

H.R. 1341. An act to amend section 701 of title 10, United States Code, to authorize additional accumulation of leaves in certain foreign areas;

H.R. 2138. An act to amend section 319 of the Immigration and Nationality Act to permit naturalization for certain employees of U.S. nonprofit organizations engaged in disseminating information which significantly promotes U.S. interest, and for other purposes;

H.R. 3639. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate certain provisions assuring the safety and effectiveness of new animal drugs, and for other purposes;

H.R. 3982. An act to amend section 409 of title 37, United States Code, relating to the transportation of house trailers and mobile dwellings of members of the uniformed services;

H.R. 6692. An act declaring a portion of Bayou Lafourche, La., a nonnavigable waterway of the United States;

H.R. 8547. An act to amend title 10, United States Code, to simplify laws relating to members of the Army, Navy, Air Force, and Marine Corps, and for other purposes;

H.R. 12912. An act to give the consent of Congress to the State of Ohio to become a party to the agreement relating to bus taxation proration and reciprocity as set forth in title II of the act of April 14, 1965 (79 Stat. 60), and consented to by Congress in that act and in the acts of November 1, 1966 (79 Stat. 1157), and November 2, 1966 (80 Stat. 1156);

H.R. 13165. An act to extend the period during which Secret Service protection may be furnished to a widow and minor children of a former President; and

H.R. 13669. An act to amend section 2734 of title 10 of the United States Code to permit the use of officers of any of the services on claims commissions, and for other purposes; to amend section 2734a of title 10 to authorize the use of Coast Guard appropriations for certain claims settlements arising out of Coast Guard activities; and to amend section 2736 of title 10 to authorize advance payments in cases covered by sections 2733 and 2734 of title 10 and section 715 of title 32 involving military claims.

HOUSE BILLS REFERRED

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

H.R. 1341. An act to amend section 701 of title 10, United States Code, to authorize

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

additional accumulation of leaves in certain foreign areas;

H.R. 3982. An act to amend section 409 of title 37, United States Code, relating to the transportation of house trailers and mobile dwellings of members of the uniformed services; and

H.R. 8547. An act to amend title 10, United States Code, to simplify laws relating to members of the Army, Navy, Air Force, and Marine Corps, and for other purposes; to the Committee on Armed Services.

H.R. 2138. An act to amend section 319 of the Immigration and Nationality Act to permit naturalization for certain employees of U.S. nonprofit organizations engaged in disseminating information which significantly promotes U.S. interest, and for other purposes;

H.R. 12912. An act to give the consent of Congress to the State of Ohio to become a party to the agreement relating to bus taxation proration and reciprocity as set forth in title II of the act of April 14, 1965 (79 Stat. 60), and consented to by Congress in that act and in the acts of November 1, 1965 (79 Stat. 1157), and November 2, 1966 (80 Stat. 1156); and

H.R. 13669. An act to amend section 2734 of title 10 of the United States Code to permit the use of officers of any of the services on claims commissions, and for other purposes; to amend section 2734a of title 10 to authorize the use of Coast Guard appropriations for certain claims settlements arising out of Coast Guard activities; and to amend section 2736 of title 10 to authorize advance payments in cases covered by sections 2733 and 2734 of title 10 and section 715 of title 32 involving military claims; to the Committee on the Judiciary.

H.R. 3639. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate certain provisions assuring the safety and effectiveness of new animal drugs, and for other purposes; to the Committee on Labor and Public Welfare.

SECRETARY IGNATIUS ADDRESSES NAVY LEAGUE

Mr. DIRKSEN. Mr. President, last Friday, October 27, the Secretary of the Navy, the Honorable Paul R. Ignatius, addressed the Navy League in Chicago on the occasion of its annual Navy Day banquet—always a notable event in the city of Chicago and throughout Illinois.

The Secretary's subject on that occasion was the use of nuclear power to propel our naval vessels, and he presented to his sizable audience one of the clearest and most comprehensive descriptions of our preparations and our policies in this regard that it has ever been my pleasure to read.

Because I believe this timely message from the Secretary of the Navy to be of great and continuing importance to our people, I ask unanimous consent that its full text be printed at this point in the RECORD.

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

REMARKS BY HON. PAUL R. IGNATIUS, SECRETARY OF THE NAVY, AT THE NAVY LEAGUE NAVY DAY BANQUET, CHICAGO, ILL., OCTOBER 27, 1967

Ladies and gentlemen, I can think of no more appropriate place for the Secretary of the Navy to be on Navy Day. Chicago's people are hospitable to our personnel, and your industry and technology contribute to our effectiveness. Your city has always been known as a good Navy town.

We are grateful for this, particularly at a time when Naval and Marine Corps personnel are engaged in combat, as they are so courageously today in Vietnam. These fine men are demonstrating each day, by their valor and dedication, that the Naval Service is indeed the Mark of a Man. Your Navy Day theme was well chosen.

Tonight I want to review with you a matter or current and continuing importance to the Navy—the use of nuclear power to propel our ships. We look on Chicago as the place of birth of this greatest advance in naval technology of this century.

Nuclear power was harnessed in Chicago on a cold, windy day in December 1942, when the first chain reaction was achieved on the University of Chicago campus.

Enrico Fermi, the Italian scientist who guided the experiment proposed to Dr. Arthur H. Compton that the test should take place without delay in the now famous squash court under the west stands of the Stagg Athletic Field.

Dr. Compton has written of the doubts that surrounded that event: ". . . the experiment would be performed in the midst of a great city. We did not see how a true nuclear explosion, such as that of an atomic bomb, could possibly occur. [But] the outcome of the experiment might . . . greatly affect the city."

The experiment was a success and, for the first time, the power of the atom was liberated and controlled.

Even before the first test of a fission bomb in the Summer of 1945, far-sighted naval officers had seen the possibilities of using nuclear power for naval propulsion.

Following a period of intensive debate within the Government, as is not unusual in the face of revolutionary change, the Atomic Energy Commission, in April 1948, authorized a Submarine Thermal Reactor project proposed by the Navy. The first research and conceptual design work on the reactor was done here in Chicago, at the Argonne National Laboratory.

A naval officer from Chicago, Vice Admiral Hyman G. Rickover, has played the central role. He was the leading advocate of nuclear power for naval use and he has been in charge of the program responsible for the application of nuclear power to naval ships.

We are still reaping the benefits of the foresight and energy of this great American. In a moment, I will describe the extent to which the U.S. Navy has made the transition to nuclear propulsion. That background is important because we face decisions that will determine the role of the nuclear-powered surface escort in the Navy. I refer to the application of nuclear power to ship types which are outgrowths of the World War II destroyer—the guided missile frigates and destroyers. It is this issue of nuclear power which I will address tonight.

In January 1955, U.S.S. *Nautilus*, the first nuclear-powered submarine, put to sea. Other nuclear-powered attack submarines followed, and will total 68 when those authorized complete construction. The operational accomplishments of these ships are well known to you:

Voyages under the polar ice cap by *Nautilus* and *Skate*.

Surfacing at the North Pole by *Skate*.

Circumnavigation of the globe, while submerged, by *Triton*.

Steaming on nuclear power for more than 60,000 miles, without refueling, by *Nautilus*.

It was these early phenomenal successes with submarines that led to the strategic concept of relatively invulnerable underwater platforms for ballistic missiles.

Largely through the leadership of Vice Admiral William F. Raborn, Jr., the Navy and private industry joined the capabilities of nuclear-powered submarines to an underwater-launched ballistic missile system and produced our country's most nearly survivable deterrent system, commonly referred to as Polaris.

In November 1960, the first Polaris submarine, U.S.S. *George Washington*, deployed on patrol. Today, only 7 years later all 41 of the authorized fleet ballistic missile submarines have entered the Fleet.

At the same time, work on applying the advantages of nuclear power to the surface Navy went ahead with the result that U.S.S. *Enterprise*, the largest attack aircraft carrier ever built, and the guided missile cruiser, U.S.S. *Long Beach*, were commissioned in 1961.

U.S.S. *Bainbridge*, a nuclear-powered guided missile frigate, was commissioned in 1962, and her sister ship, U.S.S. *Truxtun*, joined the Fleet in June of this year.

Enterprise, *Long Beach*, and *Bainbridge* have completed recent deployments to the Seventh Fleet in the Western Pacific. With these ships and *Truxtun*, the Navy is gaining operational experience with nuclear-powered surface ships.

Enterprise and *Long Beach* have shown the ease with which nuclear-powered ships can steam at speeds of more than 30 knots for indefinite periods, permitting the prompt deployment of naval offensive power to any point of need. Last June, when it was possible that naval forces would be required in the Red Sea, *Enterprise* and *Long Beach*, then in the South China Sea, could have been placed on station in the Suez Canal area within a period of about one week. Conventionally powered ships that were available, including supporting fleet oilers, would have taken almost twice that time.

While in the Seventh Fleet, *Long Beach* was assigned to a task in support of air operations against North Vietnam. This task required *Long Beach's* maintaining an independent station in a relatively small area. Since *Long Beach* did not have to withdraw from station to refuel periodically, and since she could steam at higher speed than conventional ships while in transit to station, she was able to be on the line almost a month longer than a conventional ship.

Thus, from such experience, we are establishing firm evidence of just some of the operational advantages that can be derived from nuclear-powered surface ships.

Throughout the Seventh Fleet deployment of these nuclear-powered ships, their operations were characterized by high reliability of the engineering plants and an instant readiness to move from one assignment to another without the time delay involved in dependence of fleet oilers.

In the sustained type of operations being conducted in Southeast Asia, nuclear power minimizes the periods these ships are off station or in transit from one task assignment to another. In terms of utilization, experience in that area shows that three nuclear ships can do what four conventionally powered ships do in a similar six to seventh month deployment. This factor is particularly significant in extended combat situations, like Vietnam, where rotation of ships on and off the line and from one task group to another is required to sustain the level of pressure desired.

The future course of Naval nuclear-powered ship construction will be judged and decided against this background of 12 years' experience.

We have moved aggressively to develop a force of nuclear-powered attack submarines, ballistic missile submarines, and attack carriers. Many of these ships are already at sea. Their operational experience, in diverse missions, has been beyond anything we could have imagined 20 years ago.

The Navy is planning a construction program for nuclear-powered attack carriers in alternate years. Construction of U.S.S. *Nimitz* will commence soon and the Secretary of Defense has approved two additional nuclear-

powered carriers, programmed to start in fiscal year 1969 and 1971.

The unresolved issue before the Navy is how many and what kind of nuclear-powered *escort* ships we should build, such as *Long Beach, Bainbridge,* and *Truxtun,* in order to escort and support our attack carriers, both nuclear and conventionally-powered, and to give added operational flexibility to all types of naval task forces.

The question involves a complex analysis of whether the greater cost of nuclear-powered surface escort ships is offset by their greater effectiveness. The best course of action is less clear than nuclear power for submarines and attack carriers. Escort ships will have to perform multiple combat tasks, similar in scope to the missions assigned to the work-horse World War II destroyer with which many of you are familiar.

Our present-day surface escort fleet—the destroyers, destroyer escorts, frigates and cruisers that give protection to our carrier task forces, underway replenishment groups, and amphibious task forces—contains many ships that were built in World War II. These are rapidly approaching the point where the combat capability they represent must be supplemented and improved by new ships.

The Navy is embarked on an analysis to define the type and number of escorts required in the future. We are looking at all the traditional destroyer tasks—

Detection and killing of submarines;

Defense against aircraft and, in the modern combat environment against missiles;

Shore bombardment; and

A capability for self-defense when operating independently or at long distances from the task force which the escort is assigned to support.

We will want whatever freedom from base or mobile logistical support that is attainable, and some proportion of our escorts should be capable of steaming at high speeds with our large attack carriers in all sorts of sea conditions.

The combat capabilities these ships will have are determined by the various kinds and levels of enemy threats we foresee in the 1970s. We must be ready to defeat forces available to the enemy in order to defend our own offensive naval task forces. Much technological progress is being made to design new sonars of high capability to detect submarines and advanced radars to permit early warning of hostile aircraft and missiles. Similar developmental efforts are leading to modern weapons and countermeasures of markedly increased capability to meet the anticipated threat on, under, and over the seas.

It is not a simple matter, however, to relate the various enemy threats we must be capable of deterring, or defeating, in the 1970s to a requirement for nuclear power in our escort ships. The operational advantage it affords is clear, but other considerations influence the decision both for and against nuclear power. Accordingly, I would like to review with you some of the issues involved.

There is no question that if the costs were the same, a nuclear ship would be superior to a conventionally-powered ship because of the advantages of being free from the requirement to refuel. However, the costs are *not* equal. A nuclear-powered escort ship costs about twice as much to *build* as a conventionally-powered ship.

The initial costs are greater for a number of reasons. However, initial investment is not a full indication of true cost. The costs of operating the ship over its service life must also be considered in order to determine its lifetime or true cost.

For example, though the power plant of the nuclear ship costs more in the beginning, it operates without refueling for a period of years. A conventionally-powered ship requires large amounts of fuel oil every few days under normal operating conditions. The cost of the millions of gallons of fuel oil used by the conventionally-powered ship over a period of years would be included in its *lifetime* cost, but not in its initial cost. The cost of supplying this fuel also must be charged to the operating cost of the conventionally-powered ship. In the same vein, the cost of replacement of reactor cores must be charged to the operating costs of nuclear-powered ships.

These and other calculations indicate that the lifetime cost ratio of nuclear and conventionally-powered ships is not approximately two-to-one, as in the case of investment cost, but more like 1.5-to-one.

Thus, even taking account of all the relevant lifetime costs, the nuclear ship costs more. We must, therefore, be selective in determining the proper mix between nuclear and non-nuclear powered ships for our new construction and modernization programs.

With amphibious and logistic forces, for example, the advantages of the nuclear-propelled escort are not particularly great, because of the slower speed and limited endurance of the other ships involved.

On the other hand, nuclear-propelled escorts would be most useful when accompanying our high-speed carriers and when the escorts are on independent missions that require endurance and flexible response not limited by the necessity to refuel.

I referred earlier to the analytical studies we are conducting to gain insights on these complex matters. These studies include strategic and tactical war scenarios that permit many variations in the interaction between friendly and enemy forces.

Let me illustrate what I mean. We have looked in detail at combat situations which could be encountered both in the Western Pacific and North Atlantic. In each of these areas, our own capabilities and those of an enemy vary in response to proximity of bases, logistical requirements, local forces, the mobility of main forces, and a host of other factors that are not fixed. By exhaustive examination of combinations of these factors, it is possible to see more clearly the escort force level and capabilities that the Navy should have in the 1970s for a proper balance between offensive and defensive capabilities.

First, it becomes clear that we need more destroyers to deal with an enemy submarine threat than to deal with the air threat, because submarines are harder to detect and destroy than aircraft. This confirms the essential wisdom of the present configuration of our destroyer force.

All our ships are equipped to deal with the submarine threat but only some are also equipped to deal with the complete spectrum of the air threat.

Second, our studies show that, in the event of a war involving our naval task forces and enemy submarines, aircraft and missiles, we would need so many destroyers for such diverse tasks that it would not be economical to have all of them nuclear powered.

Third, the analyses show that there is a strong case to be made for having some *conventionally*-propelled destroyers *exclusively* equipped to sink submarines and additional *conventionally*-propelled destroyers equipped to counter aircraft, missiles, and submarines, and to provide gunfire support.

The studies, therefore, make it clear that the combination of these two categories of *conventionally*-powered destroyers can escort most efficiently all of our naval forces and convoys *except* our fast carriers.

There are, however, *substantial* advantages in having nuclear power in ships which must escort nuclear powered carriers.

If the escorts must refuel or replenish more frequently than the *nuclear*-powered carriers they escort, then the operational advantage of these carriers is diminished. The entire task force can take fuller advantage of these benefits if the escorts are nuclear powered.

At the same time, the endurance of nuclear-powered escorts also provides a flexibility for stationing and for independent tasks when in company with *conventionally*-powered carriers.

While all the benefits of nuclear propulsion for surface ships are not easily quantifiable in the context of studies, they are readily apparent to tactical commanders.

First, there is the increased tactical flexibility made possible by unlimited endurance at high speed. We can deploy a nuclear-powered ship from the West Coast to the South China Sea in nine days while a normal transit for conventionally powered ships is close to 15 days.

Second, nuclear power makes possible longer, round-about routes to avoid storms.

Third, in wartime, high-speed endurance would enhance the ability of carrier task forces to attack enemy shores along a greater perimeter of coastline. It would also enhance their ability to evade and outrun submarine attack.

Fourth, they could make high-speed transits for the aviation fuel and ammunition needed to continue in action, if this were necessary. They could postpone such replenishment if the dangers of carrying it out at a given moment were very high. They would not be concerned with a loss of fuel oil facilities or with the problems of a refueling rendezvous en route to destination.

These factors, and others like them, are important to the tactical commander, but difficult to quantify in economic terms. We believe they are of sufficient weight, however, to offset the increased costs of nuclear power and to justify a force of both nuclear and conventionally powered escorts.

Apart from cost, there are other factors that tend to limit the number of nuclear ships the Navy can usefully employ. One such factor is personnel. The rate at which the Navy would be able to train officers and men to operate and maintain a substantial increase in nuclear power plants would be limited, in view of the length and depth of the training involved. Moreover, retention in the Navy of such highly skilled technicians will always be a continuing problem. We have already cut into the available cadre of highly technical personnel in manning the 114 nuclear submarines and ships now in the Fleet or authorized. To the extent this is done, the calibre and skill of men left to man non-nuclear ships becomes progressively lower.

A second limitation is the industrial base for making nuclear propulsion equipment. While this base has expanded as a result of the naval reactors program, much of it is currently committed to commercial and industrial power programs and thus not readily available for meeting Navy needs. Although the industrial base can and undoubtedly will be expanded, it will take time and could add to the current costs for nuclear-powered ships.

We in the Navy have made a detailed review of these complex considerations, keeping in perspective the anticipated threat to our forces in the 1970s. The calculations on force requirements should leave no room for unnecessary risk. If we are to deter aggression, the forces we develop must be capable of defeating that aggression should it nevertheless occur.

But we should bear in mind that the Navy offers the decision-maker a unique choice of options to control and limit conventional warfare once initiated. If we are to preserve this flexibility and advantage of sea power, we must maintain our ability to defend our offensive striking forces against a variety of threats. It is through a strong defense that the options to commit various levels of naval offensive power are preserved.

If the United States were challenged at

sea, it might be in our interest to confine conflict to the areas of the sea. But to do so, we would require a flexible and effective defense against enemy forces that operated from safe bases. Obviously, there would be an equal premium on offensive task forces of our own that could engage and defeat the enemy at sea, but these task forces must be defended until victory is won.

The same sort of balance between the offense and the defensive forces that give our task forces freedom of operation applies to options available to the decision-maker to counter a limited war initiated by an aggressor on land.

In judging these many factors, the Navy believes it should go forward with a long-range program to construct both nuclear-powered and conventionally-powered escorts.

It is clear that *all* escort ships should not be nuclear powered because their additional costs are not offset by operational advantages in some of the missions to be performed. It is equally clear to the Navy, however, that some of its escort ships should be nuclear-powered.

The Navy will propose to the Secretary of Defense, within the next few weeks, a construction program for fleet escorts that will include both nuclear and conventionally powered ships. This program looks to an expansion of the numbers of our nuclear powered ships over the next five years. With the construction of these ships, and the construction of additional conventionally-powered escorts, the surface escort forces will be modernized to meet the anticipated threat of the 1970s.

The pay-off in a Navy properly balanced with nuclear power is high. All of the traditional characteristics of naval power are enhanced. An offensive striking force may be placed quickly anywhere in the world where the oceans and seas allow. The naval options available to the nation in time of crisis will be more responsive to demand than ever before. And, as I have suggested, these options include deployment to the area of threat without commitment until the political decision is made.

I appreciate this opportunity to review with you a matter of great importance to the Navy. The officers and men of the Navy appreciate the support they have always received from Chicago and the Middle West, and in their behalf I express thanks to all of you.

CALENDAR

Mr. LONG of Louisiana. Mr. President, it is my understanding that two bills are on the calendar to which no objection is anticipated, and I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 697 and Calendar No. 711.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

AUTHORITY OF NATIONAL BANKS TO UNDERWRITE AND DEAL IN SECURITIES ISSUED BY STATE AND LOCAL GOVERNMENTS

The Senate proceeded to consider the bill (S. 1306) to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes.

Mr. DIRKSEN. Mr. President, in view of the fact that members of the Committee on Banking and Currency are not in the Chamber, and the fact, also, that there has been some controversy about this bill, I respectfully suggest that it go over until we have had an opportunity to confer with our members of the committee.

Mr. LONG of Louisiana. Then, I will withdraw the request for the consideration of Calendar No. 697. It is my understanding that it has been agreed to and that there is no objection to it.

MEDICAL PAYMENTS OF TEMPORARY AND SEASONAL EMPLOYEES LOCATED IN ISOLATED AREAS

The bill (S. 448) to authorize the Secretary of the Interior to use appropriated funds for the payment of medical care of temporary and seasonal employees and employees located in isolated areas who become disabled because of injury or illness not attributable to official work, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to provide from any funds available for the work being performed, emergency medical attention for employees of the Department of the Interior located in isolated areas who become disabled because of illness or injury not attributable to official work, including the moving of such employees to hospitals or other places where medical assistance is available, and in case of death to remove the bodies of deceased employees to the nearest place where they can be prepared for shipment or for burial. When a transient without permanent residence, or any other person while away from his place of residence, is employed on a temporary or seasonal basis by the Department of the Interior and while so employed becomes disabled because of injury or illness not attributable to official work, he may be provided hospitalization and other necessary medical care, subsistence, and lodging for a period of not to exceed fifteen days during such disability, the cost thereof to be payable from any funds available for the work for which such person is employed.

SEC. 2. Appropriations of the Department of the Interior available for the work being performed may be utilized for payment to temporary or seasonal employees for loss of time due to injury in official work at rates not in excess of those provided by the Federal Employees' Compensation Act, as amended (5 U.S.C. 751), when the injured person is in need of immediate financial assistance to avoid hardship: *Provided,* That such payment shall not be made for a period in excess of fifteen days and the Secretary of Labor shall be notified promptly of the amount so paid, which amount shall be deducted from the amount, if any, otherwise payable from the Employees' Compensation Fund to the employee on account of the injury. When any person assisting in the suppression of range, forest, and tundra fires or in other emergency work under the direction of the Department of the Interior without compensation from the United States, pursuant to the terms of a contract, agreement, or permit, is injured in such work, the Department may furnish hospitalization and other medical care, subsistence, and lodging for a period of not to exceed fifteen days during such disability, the cost thereof to be payable from the appropriations applicable to the work out of which the injury occurred, except that this proviso shall not apply when such person is within the purview of a State or other compensation Act: *Provided further,* That determination by the Department of the Interior that payment is allowable under this section shall be final as to payments made hereunder, but such determination or payments with respect to employees shall not prevent the Secretary of Labor from denying further payments should he determine that compensation is not properly allowable under the provisions of the Employees' Compensation Act.

SEC. 3. No payment shall be made pursuant to this Act for any hospitalization or medical services for injury or illness not attributable to official work on behalf of a sick or injured person who is covered by an enrollment or who is not excluded from enrollment by virtue of his current employment in a plan under the Federal Employees' Health Benefits Act of 1959, as amended (5 U.S.C. 3001).

SEC. 4. This Act shall not apply to employees of the Federal or territorial governments in Guam, the Virgin Islands, American Samoa, or the Trust Territory of the Pacific Islands while serving in any such area.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 728), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

S. 448 would authorize the Secretary of the Interior to pay, on a limited emergency basis, the costs of medical care for certain temporary employees of the Department in isolated areas. The illnesses and injuries covered are those arising from causes not directly attributable to the work of the employee.

The terms of the bill specifically provide that the care for which payment is made must be of an emergency nature and then is limited to not more than 15 days. In the case of the death of such an employee from nonofficial work causes, the Secretary is authorized to remove the body to the nearest place where it can be prepared for shipment or burial.

Thus, S. 448 would give seasonal or temporary employees of the Department of the Interior the same protection and help as that available for like employees of the Department of Agriculture under the act of March 3, 1925 (found in 16 U.S.C. 557 and 580j).

The bill would not authorize the construction of medical facilities nor the employment, on a salaried basis, of medical or technical personnel.

NEED FOR LEGISLATION

As pointed out in the favorable report of the Department of the Interior on S. 448, the text of which is set forth in full below, as does the Forest Service, the Bureau of Land Management and other bureaus of the Interior Department annually employ transients and other temporary personnel for fire suppression activities and other emergency programs. Such employees include trained, organized Indian, Spanish-American, or Eskimo crews from the Southwest, Montana, and Alaska. In the course of their employment, these crews are transported many miles from their place of residence, very often for prolonged periods. During such periods of absence from their homes, these employees sometimes contract colds, flu, or other illnesses requiring medical attention which are not directly attributable to the performance of their official duties.

At present, the Department has no authority to pay to have a sick or injured employee who is located in an isolated area removed to a hospital when the sickness or injury occurs outside the direct scope of his employment. Similarly, the Department presently has no authority to bring medical help to such an employee.

Under existing law, medical care not covered by Bureau of Employees Compensation regulations and not provided by the Public Health Service has to be paid for by the employee, unless the employing agency has authority to meet the obligation. In most cases, transient personnel are unable to pay their own medical expenses. While local physicians have been very cooperative in providing emergency medical attention to transient employees when required, the committee believes that the moral obligation to provide for the welfare of these employees rests with the employing agency. As stated, the Forest Service is authorized to meet this moral obligation.

COMMITTEE RECOMMENDATIONS

While reporting favorably S. 448, the committee is aware that very little knowledge is available as to the extent and cost of the care authorized. Therefore, the committee requests that the Secretary of the Interior make a report to it at the conclusion of the first fiscal year during which expenditures authorized by the bill are made.

With that provision, the committee unanimously recommends favorable action on S. 448.

EXECUTIVE SESSION

Mr. LONG of Louisiana. Mr. President, I move that the Senate go into executive session to consider nominations on the Executive Calendar.

The motion was agreed to, and the Senate proceeded to consider executive business.

U.S. TARIFF COMMISSION

The assistant legislative clerk read the nomination of Stanley D. Metzger, of the District of Columbia, to be a member of the U.S. Tariff Commission.

Mr. METCALF. Mr. President, I will not vote against this nomination, but I desire to make some comments about the nominee.

I have never met Mr. Metzger, except during the hearings before the Committee on Finance, when he testified. However, during the course of the hearings, the Senator from Indiana interrogated Mr. Metzger, and the latter was far from frank and forthright with the committee.

I ask unanimous consent that the biographical sketch that Mr. Metzger filed with the committee be printed at this point in the RECORD.

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

STANLEY D. METZGER—BIOGRAPHICAL DATA

Mr. Metzger, 51, was born July 10, 1916, in New York City and received his bachelor's degree from Cornell University in 1936. Following receipt of the LL.B. degree from the Cornell Law School in 1938, he became an attorney with the New York State Labor Relations Board, and then in 1939 an attorney with the National Labor Relations Board. From 1942 to 1943, he served with the U.S. Army Air Force.

He then became Associate Director of Field Operations for the President's Committee on Fair Employment Practices. In 1946, Mr. Metzger joined the Department of State as an attorney, becoming Deputy Assistant Legal Adviser for Economic Affairs in 1950, and Assistant Legal Adviser for Economic Affairs in 1952. He served with the Department of State in the latter capacity until 1960, when he joined the law faculty at Georgetown University, where he had previously served as an Adjunct Professor since 1955.

Since joining the law faculty at Georgetown, Mr. Metzger has served the government in various capacities. From 1961 to 1963, he was a consultant to the International Air Transport Study Group as well as Staff Director of the Claims Committee of the Administrative Conference of the United States. He was a consultant to the White House and State Department on the Trade Expansion Act of 1962. He served as an arbitrator for the United States on the Panel of Arbitrators of the International Civil Aviation Organization, and in 1965 he served as a consultant to the State Department, U.S. Maritime Commission and the Organization for Economic Cooperation and Development.

Mr. Metzger is a member of the Board of Editors of the American Journal of International Law, and of the Executive Council of the American Society of International Law. He has also served as the American Editor of the Journal of World Trade Law published in the United Kingdom, and has authored such books as International Law, Trade and Finance, Trade Agreements and the Kennedy Round and Documents and Readings in the Law of International Trade.

Mr. Metzger is a member of the Bar of New York State and of the Bar of the Supreme Court of the United States.

Mr. Metzger resides with his wife at 3338 Volta Place, NW., Washington, D.C.

Mr. METCALF. The biographical sketch indicates that Mr. Metzger has had considerable experience in international law. He said that he is a member of the board of editors of the American Journal of International Law, and of the executive council of the American Society of International Law; that he has authored such books as "International Law, Trade, and Finance, Trade Agreements," and the "Kennedy Round, and Documents" and "Readings in The Law of International Trade."

He failed to comment that he had also served as counsel, adviser, and consultant for an important Senator. He failed to indicate, in that rather brief résumé of his experience, some of the other activities in which he had participated. Many of them would have been of concern to members of the Committee on Finance, and to me as a westerner who is worried about beef imports, and concerned about such things as tariff policy.

He was less than frank and forthright in some of his statements to the Senator from Indiana [Mr. HARTKE]. For instance, he was asked about a speech he had made to the Federal Bar Association. He was reminded of some of the things he had said in that speech. He said he had not read the bill about which he was talking, he did not know about the subject matter; all he knew about it was a hearsay statement of some man, by the name of William Kelly, whom he had met in the course of negotiations in Geneva.

He did not identify any of the other persons with whom he had talked. On the basis of that hearsay statement about a bill about which he knew nothing, he made a speech; and yet when we asked him about whether or not he would be permitted to teach if he were confirmed as a member of the Commission he was able to cite us page, paragraph, comma, and footnote about an attorney general's opinion as to whether or not a person who served on the Tariff Commission could continue teaching without compensation.

Mr. President, I suggest he should be better prepared in some of the opinions he hands down as a member of the Tariff Commission than he was when he made the speech before the Federal Bar Association, and that he should be as well prepared as he was on his personal business of teaching when he is a member of the Commission.

Another thing in which he failed to be frank and forthright was the matter of the authorship of books. He said he is the author of various books but if he is a teacher and is permitted to continue to teach at the university this two-volume set which I hold in my hand, "The Law of International Trade," will be the textbook for that course. I am informed that "The Law of International Trade" in two volumes costs about $30 a set, and he would have the ordinary author's commission as well as having the book as a text for an admitted authority in the field.

He failed to tell us that he was the author and that anyone who even took the first semester of the course on international trade, which has as its text volume 1 of the set, has to buy the whole set so that he can have that volume for the course.

Mr. President, Mr. Metzger is apparently a very able and very brilliant scholar, a man who has devoted his life to international trade. He came before the committee and failed to tell us that he served previously before a House committee, worked with a House committee on trade, and had had, he said, personal relations with the chairman of the committee with whom he could not agree and so he left; he failed to tell us about his experience; he failed to tell us about the fact that as a result of his teaching he was going to be permitted to sell a $30 set of textbooks; he failed to tell us about some of his background; and he suggested that maybe he would follow the law—perhaps he would—as laid down by the Congress.

Mr. President, I hope this man is confirmed, and I shall not object to his confirmation. As I have said, he is a brilliant, able, and distinguished scholar in international trade. However, I hope when he writes his decisions, conducts his hearings, and participates in the activities of the Tariff Commission, for which he is going to be confirmed, that he will be as concerned about the welfare of the United States as he is about his own welfare, and that he will abandon the unconcern he demonstrated in his speech before the Federal Bar Association.

Mr. LONG of Louisiana. Mr. President, Mr. Metzger testified before the committee and he was interrogated in great depth, particularly by the Senator from Indiana [Mr. HARTKE]. There was one unresolved question before the commit-

tee. Mr. Metzger is, as the Senator from Montana pointed out, an authority on international trade, and he is a professor in that subject, teaching, I believe, at Georgetown University in Washington, D.C.

The problem of conflict of interest was raised about the subject. Mr. Metzger indicated he would like to teach foreign trade here in Washington, D.C., without compensation and that if the committee felt that there was a conflict problem involved, that he would be willing to decline to teach at the university, leaving it entirely a matter for the committee to decide as to whether he should do so.

In view of the fact that the professor would not be paid for his services anyway, my guess is that he probably would be willing to contribute to Government or education any profit he would make on the expensive two-volume publication, in the event he taught the course.

(At this point, Mr. SPONG assumed the chair.)

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

Mr. LONG of Louisiana. I yield.

Mr. METCALF. I think that since he is willing to teach without pay he would waive whatever he might make on the sale of his books to his students at American University.

I hope he would also be willing to waive the profit not only on the sale to his students at Georgetown University, but also the profit he would get from the sale to students in other schools because of the added prestige he receives as a member of the Tariff Commission.

Mr. LONG of Louisiana. It never occurred to this Senator to go into it. I regret to confess my ignorance in the matter. I was not familiar with the fact that the man had written a book. It would appear that the greatest impediment to a man being confirmed is that he wrote a book, anyone who has written a book as voluminous as the Senator from Montana has shown us undoubtedly stated a lot of things in the book with which we might take issue.

So far as expressions of opinion in the text are concerned, the author should make clear that he would lean over backward to take the other side of the argument in the event he takes a position at some time on matters coming before the Commission, and Mr. Metzger indicated that he would do that.

I suggest he is well acquainted with the law, he knows the law, and he is capable of doing a fine job in this capacity. I entertain high hopes that he will do as he indicated before the committee he would do. He would undertake to carry out the will of Congress, well recognizing that the laws we pass here in regard to trade prevail over any executive agreements, such as the executive announcement that insofar as the executive is concerned, this Nation will pursue the provisions of the General Agreement on Tariffs and Trade even though it has never been ratified by Congress. If Congress acts and in some respects finds itself in conflict with something that might be in that document, it is clear under the law, and Mr. Metzger has so stated, that the act of Congress prevails and not some executive agreement.

Thus, I would very much hope that this matter would be pursued because if there are going to be some important decisions to be made in the trade area in the months and years immediately ahead, and if Mr. Metzger has the qualifications to become a great chairman of the Tariff Commission, in the event he applies his talents in the direction which I think we should hopefully assume that he will, then I believe he would be eminently qualified for the position.

If some problem should arise that some Senators might doubt the propriety of his teaching a course in law while he is a member of the Tariff Commission, and he would direct his views on that matter to the committee, we in the committee would be happy to consider them and advise whether in our judgment Mr. Metzger should or should not teach law on a nonpaid basis while he is a member of the Tariff Commission.

Mr. METCALF. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. METCALF. I certainly did not criticize this very able and distinguished man for writing a book.

I think that his book—and I only glanced through it, having had only a little time to go through the voluminous two volumes—expresses some of the tariff and protectionist ideas which are entirely foreign to my concept; but I am convinced that this man who will be confirmed, and I shall vote for his confirmation, will, with a little admonition, spend as much time writing cases for the Tariff Commision as he has justifying his right to teach.

The point I want to make, and I bring this up as a special example, because it comes up time and again, that nominees who appear before committees for confirmation are sometimes less than forthright, are not outspoken concerning all of their activities.

Mr. Metzger, I am told, was advised by the State Department to conceal his activities with the House committee, that he should fail to put into his biographical résumé the fact that he authored a textbook which is somewhat more than a book which is merely in general circulation. Probably he is not at fault. I agree that he is a brilliant, able, and distinguished scholar. I am not going to vote against his confirmation. I am going to point out to the chairman of the Committee on Finance, and our acting majority leader today, that I did not know Mr. Metzger until we had the hearings and he was less than frank; largely, I think, as a result of those who guided him down at the State Department.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Stanley D. Metzger, of the District of Columbia, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1973?

The nomination was confirmed.

POSTMASTERS

The assistant legislative clerk proceeded to read sundry nominations of postmasters.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF STATE

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

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

NATIONAL LABOR RELATIONS BOARD

The assistant legislative clerk read the nomination of John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1972.

Mr. PELL. Mr. President, I should like to recommend to the Senate that the nomination before it of John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board for the term of 5 years, expiring December 16, 1972, be confirmed. I speak on this matter as both a member of the Labor and Public Welfare Committee and as one who as a Senator from Rhode Island, has personal knowledge of John Fanning.

For the past 25 years John Fanning has been a Federal employee who has served with integrity in various capacities. Fifteen of those years he distinguished himself as a career employee, and for the last 10 years, he has been a Presidential appointment, serving under three Presidents. John Fanning is the senior member of the National Labor Relations Board, and he has not only participated in more Board decisions than any other past or present member; but also he is the first Board member to be appointed to successive terms by Presidents of different political parties.

I could go on and on in relating to you the many reasons why John Fanning should be reappointed to this most important position; but I think that his record speaks for itself, and beyond his record, I know John Fanning well and I can assure you that he will continue to do his best in serving his country if he is confirmed by this body.

Mr. President, I urge the nomination of John Fanning to be confirmed by the Senate.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

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

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

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

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

LEGISLATIVE SESSION

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

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

AUTHORITY OF NATIONAL BANKS TO UNDERWRITE AND DEAL IN SECURITIES ISSUED BY STATE AND LOCAL GOVERNMENTS

Mr. LONG of Louisiana. Mr. President, we have been able to contact the Senators who are interested in this matter, and I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 697, S. 1306.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. S. 1306, to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with amendments, on page 2, line 19, after the word "underwriting,", strike out "and"; in line 24, after the word "dealer,", insert "and (5) the purchase, during the underwriting period, of any such obligations by an association for its own investment account, from such association's own account acting as underwriter, dealer, or trader, or from any entity affiliated with such association within the meaning of subsection (b)(1) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a(b)(1)), shall not be permitted: *Provided*, That this restriction shall not apply to any purchases by an association for its investment account or accounts of any such obligations (A) it alone has underwritten or (B) directly from the underwriting syndicate or member thereof in which it is a participant, or to associations not in the underwriting syndicate,", and on page 3, line 23, insert a new section, as follows:

SEC. 2. The Secretary of the Treasury shall submit an annual report to the Congress showing the extent to which the business of underwriting and dealing in State and local obligations is being carried on by commercial banks as compared with other banking institutions with a view to determining the effect of the amendment made by the first section of this Act on the institutional distribution of such business. As used herein, the term "State and local obligations" means obligations issued or guaranteed by or on behalf of a State, political subdivision of a State, or an agency of a State or political subdivision thereof.

So as to make the bill read:

S. 1306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph Seventh of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24), is hereby amended by adding the following new sentences at the end of such paragraph: "The limitations and restrictions contained in this paragraph as to dealing in and underwriting investment securities shall not apply to all other obligations issued or guaranteed by or on behalf of a State or any political subdivision thereof or agency of a State or any political subdivision thereof (except special assessment obligations and industrial development obligations) which are at the time eligible for purchase by a national bank for its own account, except that (1) no association shall hold such obligations of any one obligor or maker (other than general obligations of a State or political subdivision thereof) as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund, (2) and purchase of such obligations by a national bank as fiduciary from such bank as an underwriter or dealer shall not be permitted unless lawfully directed by court order, (3) no association may purchase such obligations as fiduciary from a member of a syndicate in which such association is participating until the syndicate has closed as to underwriting, (4) any sales of such obligations by an association to any of its depositors or borrowers or to any correspondent bank (whether for such bank's own account or as trustee) must be accompanied by a disclosure in writing to the purchaser that the association is selling as an underwriter or dealer, and (5) the purchase, during the underwriting period, of any such obligations by an association for its own investment account, from such association's own account acting as underwriter, dealer, or trader, or from any entity affiliated with such association within the meaning of subsection (b)(1) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a(b)(1)), shall not be permitted: *Provided*, That this restriction shall not apply to any purchases by an association for its investment account or accounts of any such obligations (A) it alone has underwritten or (B) directly from the underwriting syndicate or member thereof in which it is a participant, or to associations not in the underwriting syndicate. For purposes of this paragraph the term 'industrial development obligation' shall mean an obligation, not secured by the full faith and credit of the issuer, payable solely from the rentals received by the issuer from the letting of property to private manufacturers for the principal purpose of manufacturing articles for sale if such obligations have been issued to finance the acquisition, construction, equipment, or other development of such property and such property is held or to be held by the issuer for the principal purpose of such letting and not as part of or incidental to another project of the issuer."

SEC. 2. The Secretary of the Treasury shall submit an annual report to the Congress showing the extent to which the business of underwriting and dealing in State and local obligations is being carried on by commercial banks as compared with other banking institutions with a view to determining the effect of the amendment made by the first section of this Act on the institutional distribution of such business. As used herein, the term "State and local obligations" means obligations issued or guaranteed by or on behalf of a State, political subdivision of a State, or an agency of a State or political subdivision thereof.

Mr. PROXMIRE. Mr. President, the Committee on Banking and Currency has reported favorably to the Senate S. 1306, a bill to permit national banks and State member banks to underwrite and deal in State and local revenue bonds. At the present time, commercial banks and investment bankers are permitted to underwrite and sell general obligation bonds, that is, those bonds which are backed by the full faith and credit of the State or local government. However, under present law, only investment bankers are permitted to deal and underwrite revenue bonds. These are bonds which are amortized through specific user charges such as toll highways, water and sewer systems, or other such facilities.

Although the bill would permit banks to underwrite revenue bonds, this authority would not be extended to industrial revenue bonds or to special assessment bonds. In addition, the underwriting authority would extend only to those bonds in which a bank can invest for its own portfolio account. Under present procedures, this means the bond must have a rating of Baa or higher.

Additional safeguards are included in the bill which would prevent any possible self-dealing on the part of the bank. For example, the trust department of any underwriting bank would be prohibited from purchasing bonds from a member of an underwriting syndicate during the life of a syndicate.

Second, banks would be required to disclose their underwriting interests when selling such securities to their depositors, borrowers, or correspondent banks. Third, the bill would prevent banks from purchasing bonds from the syndicate for its underwriting or dealer account and subsequently transferring such bonds to its investment account during the life of the syndicate. Fourth, the bill requires the Secretary of the Treasury to make an annual report on the impact of this legislation as it affects the distribution of business between investment banking firms and commercial banks.

HISTORY OF THE LEGISLATION

Mr. President, during the 1920's commercial banks were frequently engaged in the underwriting and selling of securities. The financial collapse of 1929 led to the enactment of the Glass-Steagall Act of 1933 which among other things was intended to separate the business of commercial banking from investment banking. Commercial banks were generally precluded from underwriting stocks and bonds or acting as a dealer in such securities. However, the Congress made an exception with respect to the general obligation bonds of Federal, State and local governments. In order to insure a broad market for these bonds and to facilitate public finance, the Congress permitted commercial banks to continue the underwriting of general obligation

bonds. Since such bonds were of high investment quality and safety, the Congress considered it sound public policy to permit them to be underwritten by commercial banks.

Since the time of the Glass-Steagall Act, Congress has consistently expanded the exception for general obligation bonds to include additional instruments of public finance as such instruments developed. For example, Congress amended the Glass-Steagall Act to permit banks to underwrite and deal in the bonds of the TVA, local public housing authorities, the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Similar exceptions were also made for the bonds and participation certificates of the Federal National Mortgage Association.

At the time of the Glass-Steagall Act, revenue bonds were a largely unheard of device for state and local finance. Revenue bonds primarily developed in the 1930's and gained widespread acceptance during the 1950's and 1960's. Because of their growing importance, attempts have been made since 1955 to amend the Glass-Steagall Act to permit commercial banks to underwrite revenue bonds. Thus, in approving this bill we are not departing from public policy, but rather following a consistent policy established by Congress aimed at securing the broadest possible market for governmental obligations. As new Federal, State or local credit instruments develop, it will be necessary to reexamine the Glass-Steagall Act.

MUNICIPAL BOND MARKET

Mr. President, the need for this legislation can perhaps best be evidenced by the dramatic growth in the use of revenue bonds. As I indicated, revenue bonds were largely unheard of in 1933 when the Glass-Steagall Act was first enacted. In 1948 revenue bonds accounted for $549 million or 18 percent of all State and local bond issues. However, by 1966 the volume of new revenue bond issues has climbed to over $4 billion, or over 38 percent of all State and local issues. All predictions indicate that revenue bonds will continue to be an important instrument of municipal finance, particularly in view of the growing number of municipalities approaching their constitutional debt limitations.

A survey conducted by the Joint Economic Committee last December indicates that total State and local bond issues are expected to double by 1975. Since revenue bonds have been growing at a faster rate than general obligation bonds, it may be expected that the volume of revenue bond issues will be more than doubled by 1975. In view of this rapidly expanding market for revenue bonds it is, therefore, extremely important to insure that there are adequate underwriting and distributional facilities. By permitting commercial banks to supplement the activities of investment banks, we can be sure that the underwriting capacity for revenue bonds will be adequate for our growing needs.

NEED FOR LEGISLATION

Mr. President, the principal argument in favor of this bill is that it will save State and local governments money. By providing more competition in the underwriting field, the bill should lower the rate of interest State and local governments are required to pay on their bonded indebtedness. I asked the Comptroller of the Currency and the Federal Reserve Board to undertake a comprehensive study of the economic impact of this bill and to estimate the amount of savings which would accrue to State and local governments as a result of bank competition in underwriting.

The studies of the banking agencies agree that State and local governments pay a higher rate of interest on revenue bonds than they do on general obligation bonds. Some of this difference is due to the fact that revenue bonds are of slightly lower investment quality and slightly longer maturity. However, when these factors are taken into account, a difference of 10 basis points or one-tenth of 1 percent still remains. Although this slight difference in the interest rate may appear small, if it were entirely eliminated, State and local governments would save approximately $50 million a year now, and such savings would grow to $100 million a year by 1975.

There are other factors which indicate a lack of competition in the revenue bond market. For example, more than 99 percent of general obligation bonds were awarded through competitive bidding, whereas only 81 percent of revenue bonds had competitive bids. Even when competitive bidding was present, general obligation bonds received more bids. The study by the Comptroller of the Currency indicated that general obligation bonds received an average of 1.64 more bids than revenue bonds.

The number of bidders is vitally important to a hard-pressed municipality. Studies show that an interest paid by a city or State government varies inversely with the number of bidders. In other words, the greater the number of bidders the lower the rate of interest cities will be required to pay. This fact is confirmed by the studies conducted by the Comptroller of the Currency and the Federal Reserve Board.

In estimating the amount of savings, the Comptroller of the Currency concluded that on a conservative basis the savings on new revenue bond issues in 1968 would amount to $12 million a year and such savings would exceed $27 million a year by 1975. Total savings over the period from 1968 to 1975 should, according to the Comptroller's studies, reach $182.5 million.

The Federal Reserve Board was more cautious in its estimate of potential savings. Governor Mitchell of the Board indicated the annual savings could be $34 million a year. However, Governor Mitchell also indicated that the higher rate of interest paid on revenue bonds might be entirely due to factors other than the absence of bank competition. However, in summing up his testimony Governor Mitchell concluded "we are inclined to believe that greater competition and an increase in the number of underwriters and dealers would lead to lower costs in this field."

In addition to the banking agency studies, a separate study was conducted by Dr. Reuben Kessel of the University of Chicago using three methods for estimating savings. Dr. Kessel concluded initial savings could range from $21.4 to $43.2 million and that such savings could reach as much as $62.1 million a year by 1975.

The evidence presented to the committee seems reasonable that this legislation will save State and local governments money. I realize, however, that it is difficult to prove this point beyond a shadow of a doubt. However, it should be pointed out that in our free enterprise system there is a traditional presumption that greater competition will lead to lower costs. Thus, those who would restrict competition also have a burden of proof to show that such restrictions are not in fact costing the public money. There is no solid evidence presented to the committee that the absence of bank competition in underwriting revenue bonds does not cost cities money in high interest charges.

Mr. President, if this bill is enacted, I believe it will broaden the market for revenue bonds and will lead to savings for our hard-pressed State and local governments. Commercial banks have many potential customers which are not presently being tapped by investment banking firms. Thus, by permitting banks to underwrite revenue bonds, we are likely to increase the aggregate demand for such bonds with a consequent reduction in the rate charged the issuer.

Second, the entry of commercial banks in the revenue bond field is likely to result in a stronger secondary market for such bonds. To the extent the secondary market is strengthened, revenue bonds become a more liquid instrument. As a result of the increased liquidity, investors should be willing to accept a lower rate of interest on the initial offering, thus leading to savings for the issuer.

Third, by permitting commercial banks to underwrite revenue bonds, we should remove any possible stigma attached to such bonds. The fact that banks are now precluded from underwriting revenue bonds could cast such a stigma in the eyes of the investing public. By removing any such possible implications that revenue bonds are not as desirable as general obligation bonds, revenue bonds should gain greater investor acceptance. This in turn should lead to higher prices for revenue bonds, lower rates of interest, and financial savings to State and local governments.

There have been a number of arguments presented that this bill would place commercial banks in an unavoidable conflict-of-interest position. This argument was examined quite carefully during the hearings on this legislation. I believe the most important fact on this issue is that commercial banks have underwritten and sold general obligation bonds for 34 years without any record of abuse. The opponents of the legislation were unable to offer a single documented instance where a bank has abused its underwriting authority. I find it difficult to conclude, therefore, that the favorable experience which has developed on general obligation bonds would be any different for revenue bonds. The committee has recommended a number of safe-

guards in the bill to which I previously referred, which I believe will satisfy any legitimate argument with respect to conflict of interest. Nonetheless, it should be kept in mind that the authority to underwrite revenue bonds is not an inherent right of commercial banks but a privilege granted by the Congress, which can be revoked at any time.

Should abuses develop—however remote the possibility—the Congress is always free to revoke the underwriting authority. In that connection, the committee has instructed the bank supervisory agencies to be extremely diligent in examining the activities of the banks under this legislation and to be particularly alert to any potential abuses committed by commercial banks. Since banks are closely regulated by the banking agencies and subject to periodic and comprehensive examinations, I believe there is adequate protection and assurance that commercial banks will not abuse their underwriting authority.

CONCLUSION

Mr. President, I believe this bill is in the public interest. It is a bipartisan bill. It has the support of the ranking Republican member of the committee, the distinguished gentleman from Utah, who worked long and hard on this legislation and contributed substantially to its final development. It is not a bill to assist banks or to punish investment bankers. It is a bill to assist State and local governments. If investment bankers were prohibited from underwriting revenue bonds and commercial banks were able to underwrite such bonds, I would introduce legislation permitting investment bankers to compete with commercial banks. Thus, the key question is not does this bill benefit commercial banks or investment banks, but rather does this bill benefit State and local governments? I believe the evidence indicates it does. The bill is in keeping with a continuing congressional policy of affording the widest possible distribution of Government obligations. I recommend the bill strongly to the entire Senate and hope every Member may be able to cast his vote for it.

Mr. SPARKMAN. Mr. President, I support S. 1306, a bill to permit banks to underwrite and deal in municipal revenue bonds. Senator PROXMIRE, who introduced this bill last March, conducted comprehensive and thorough hearings on this bill and worked skillfully in getting it through the committee. Senator BENNETT, the ranking Republican member from Utah, participated in the development of this legislation at every step and contributed measurably to the final product. I want to compliment both of these Senators for bringing this legislation to the floor.

Mr. President, this is not a bill to assist commercial banks, nor is it a bill to take business away from investment banks. It is a bill providing more competition in the field of State and local revenue bonds so that hard-pressed State and local governments may pay lower rates of interest on their debt obligations. Studies conducted by the banking agencies, although not 100 percent conclusive, do indicate a reasonable chance that this bill will save State and local governments money.

I am mindful of the arguments raised by many respected investment banking firms, that competition from commercial banks could drive investment bankers out of business and in the long run reduce competition rather than increase it. This is certainly not the intent of the legislation. In view of the expected growth in the revenue bond market, I also do not feel there is a reasonable chance that this could happen. Most projections indicate total State and local bond issues will double by 1975 and that revenue bonds will grow even faster. In view of this rapidly expanding market it seems reasonable to me to conclude that there will be enough business for both investment banks and commercial banks. This is also the conclusion of the Federal Reserve Board which has given this matter careful consideration.

In order to make sure that Congress is continually aware of the impact of this legislation, the committee approved an amendment which requires the Secretary of the Treasury to make an annual report on the distribution of business between investment banking firms and commercial banks. This will give the Congress the information it needs to exercise its continuing responsibility.

I also feel quite strongly that if we are to permit the banks to compete for revenue bonds, they should compete on an equal basis with investment banking firms and should not enjoy special advantages over other investors when they are members of an underwriting syndicate. For that reason, I offered an amendment which was accepted by the committee which precludes an underwriting bank from purchasing bonds for its dealer account and subsequently transferring such bonds to its investment account during the life of the syndicate. I do not believe a bank's investment purchases should be confused with its underwriting activities. I would expect that bonds purchased by the banks as an underwriter will be made subject to a genuine public offering. In the event market practices are such that takedown orders for bonds intended for a bank's investment account are commingled with the bank's takedown orders for its underwriting or dealer account then it would be expected that the member bank would disclose this to the syndicate so that the bank's underwriting and investment functions would be clearly understood.

Mr. President, I join with the Senator from Wisconsin [Mr. PROXMIRE] in recommending this bill to the Senate. I believe it is a reasonable bill and in the public interest. It promises to lower the rate of interest which State and local governments pay on their revenue bonds. I also believe that the committee has included a number of safeguards which guard against any possible conflict of interest. I hope that the bill will be approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. DIRKSEN. Mr. President, I should like to state that I have cleared this matter with the minority members on the Committee on Banking and Currency and there is no objection to it.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 713), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of S. 1306 is to assist cities and States to obtain minimum cost financing by permitting National banks and State banks which are members of the Federal Reserve System to underwrite and deal in revenue bonds. The committee believes that with added bank competition the cost of borrowing to State and local governments will be reduced in the years ahead.

Although the bill permits banks to underwrite revenue bonds, such authority would not be extended to industrial revenue bonds or special assessment bonds or to revenue bonds of such quality that they are not eligible for purchase by a bank in its investment account. Under present procedures, bank investment quality grade bonds must generally be at a rating of Baa or higher.

Additional safeguards are included in the bill to prevent any bank from holding at any one time on its combined underwriting and investment accounts a revenue bond issue which exceeds more than 10 percent of its capital stock. As an additional safeguard, the bill would prohibit an underwriting bank from selling revenue bonds to its trust account unless lawfully directed by court order. Also, the trust department of an underwriting bank could not purchase revenue bonds from any member of an underwriting syndicate during the life of the syndicate. This is to prevent any possible self-dealing on the part of two or more banks in an underwriting syndicate. The bill also requires an underwriting bank to disclose its underwriting activities whenever it sells revenue bonds to its borrowers, depositors, or correspondent banks.

HISTORY OF THE LEGISLATION

Prior to 1933, there was no clear-cut division between investment banking and commercial banking. Many banks were engaged in the underwriting and distribution of securities during the 1920's. The collapse of the stock market in 1929 caused many banks to undergo severe financial difficulties.

As a result, the Glass-Steagall Act of 1933 was intended, among other things, to separate commercial banking from investment banking. Commercial banks were prohibited from underwriting and dealing in securities, thus leaving such functions to be performed by investment banking firms. However, an exception was made which permitted commercial banks to underwrite U.S. Government bonds and general obligation bonds of State and local governments. The effect of this exception was to permit commercial banks to remain in the underwriting business with respect to such bonds in order to facilitate debt financing by the Federal, State, and local governments. At the time

the exception was made for general obligation bonds, revenue bonds were not a common form of municipal finance.

Since 1933, the authority of banks to underwrite Government bonds has been extended to include the bonds of the International Bank for Reconstruction and Development, the TVA, the Inter-American Development Bank, the Asian Development Bank, local public housing authorities, and bonds and participation certificates of the Federal National Mortgage Association. Thus, the Federal Government has followed a consistent policy, over the years, of facilitating public finance by using the underwriting capabilities of commercial banks as well as investment banks. Legislation to permit banks to underwrite State and local revenue bonds has been introduced in the House of Representatives since 1955, and the House Committee on Banking and Currency held hearings on such bills in 1963 and 1965. S. 1306 was introduced in the Senate by Senator Proxmire on March 16, 1967. Hearings were held before the Subcommittee on Financial Institutions on August 28, 29, 30, and September 12, 1967. The subcommittee met on October 4 and reported the bill to the full committee. The full committee met on October 24 and agreed to report the bill, with amendments, to the Senate.

MUNICIPAL BOND MARKET

Although revenue bonds were largely unheard of in 1933, they have become an important instrument of municipal finance. Because of limitations on bonded indebtedness and for other reasons, many cities and States are borrowing funds through the use of revenue bonds as opposed to general obligation bonds which require the full faith and credit of the State or local government. The following table shows the trends in the municipal bond market. In 1948 only 18 percent of all new municipal bonds were in the revenue bond category. By 1966 the percentage has grown to 37 percent. In absolute terms revenue bonds amounted to $549 million in 1948, whereas by 1966 more than $4 billion in new revenue bonds were issued.

MUNICIPAL BONDS SOLD BY ISSUERS, 1948–66

Year	General obligation	Revenue bonds	Total
1948	$2,440,230,000	$549,501,000	$2,989,731,000
1949	2,312,471,799	682,953,250	2,995,425,049
1950	3,093,680,965	599,923,200	3,693,604,165
1951	2,548,057,853	730,095,200	3,278,153,053
1952	2,937,866,967	1,463,450,500	4,401,317,467
1953	3,990,639,799	1,567,256,570	5,557,887,639
1954	3,754,260,796	3,214,381,100	6,968,641,896
1955	4,244,089,370	1,732,414,450	5,976,503,820
1956	3,775,931,126	1,670,488,445	5,446,419,571
1957	4,933,240,520	2,024,911,625	6,958,152,145
1958	5,628,086,000	1,772,281,000	7,400,367,000
1959	5,159,656,123	2,521,397,500	7,681,053,623
1960	5,034,679,948	2,194,820,411	7,229,500,359
1961	5,761,504,589	2,598,007,545	8,359,512,134
1962	5,892,188,262	2,666,012,400	8,558,200,662
1963	6,069,195,364	4,037,470,000	10,106,665,364
1964	6,879,923,836	3,650,752,608	10,530,676,444
1965	7,444,968,995	3,639,219,720	11,084,188,715
1966	7,012,915,849	4,076,022,500	11,088,938,349

Source: Investment Banker's Association.

The projections of future municipal financial needs indicate that State and local governments will continue to be heavy borrowers in the capital markets. In December of 1966 the Joint Economic Committee published a study entitled "State and Local Public Facility Needs and Financing." The study concluded that total State and local government bonds issued would double by 1975. Since revenue bonds have been growing at a faster rate than the total increase in State and local debt, it is probable that revenue bond issues will more than double by 1975. Most of the increase is expected to take place in bonds for water and sewer systems and for transportation facilities. The following tables from the Joint Economic Committee report indicate the expected growth in municipal bonds over the next 8 years:

ESTIMATED STATE AND LOCAL GOVERNMENT DEBT, 1966–75

[In billions of dollars]

Year	Total new debt issued	Beginning balance	Net change	Yearend balance
1966	14.2	100.0	8.5	108.5
1967	14.9	108.5	8.7	117.2
1968	15.7	117.2	9.0	126.2
1969	16.6	126.2	9.3	135.5
1970	17.6	135.5	9.7	145.2
1971	18.6	145.2	10.0	155.2
1972	19.5	155.2	10.3	165.5
1973	20.8	165.5	10.9	176.4
1974	21.8	176.4	11.1	187.5
1975	22.7	187.5	11.3	198.8

Source: "State and Local Public Facility Needs and Financing," vol. 2, p. 35.

COMPARISON OF PUBLIC FACILITY CAPITAL OUTLAYS OF STATE AND LOCAL PUBLIC AGENCIES IN 1965 WITH ESTIMATED CAPITAL REQUIREMENTS DURING 1965–75

[In billions of dollars]

Group of facilities	Actual, 1965	Estimated		
		1970	1975	1966–75
Water and sewer	2.7	5.5	6.8	56.5
Electric and gas	.8	1.3	1.4	12.8
Transportation	8.9	13.5	17.7	141.1
Education	4.9	5.9	7.8	62.0
Health	.8	1.3	1.7	13.1
Recreational and cultural	1.5	3.4	4.4	35.0
Other public buildings	.5	.7	.9	7.3
Total	20.1	31.6	40.7	327.8

Source: "State and Local Public Facility Needs and Financing," vol. 1, p. 14.

Revenue bonds were once regarded as a risky investment compared to general obligation bonds. However, in recent years the overall quality of revenue bonds has approached that of general obligation issues. Since the bill would restrict underwriting only to those revenue bonds of sufficient quality for inclusion in the bank's investment portfolio, this effectively limits the underwriting to bonds of a Baa or higher rating. The Comptroller of the Currency compared the quality of revenue bonds underwritten in 1966 with the quality of general obligation bonds. Since very few revenue bonds were in the Aaa category, the comparison was made in terms of Aa, A, and Baa bonds. The study shows that when these three categories are considered, 31 percent of revenue bonds were in the Aa category compared to 39 percent of general obligation bonds; 40 percent of revenue bonds were in the A category compared to 34 percent of general obligation bonds; and 29 percent of revenue bonds were in the Baa category compared to 27 percent of general obligation bonds.

These figures indicate that there is very little difference in the overall quality of revenue bonds compared with general obligation bonds; while as a group general obligation bonds are of a slightly higher quality, there are many revenue bonds which are of superior investment quality in comparison to general obligation bonds.

NEED FOR LEGISLATION

The principal argument in favor of S. 1306 is that it would reduce the cost of borrowing to State and local governments by bringing additional competition into the underwriting field. On March 31 of this year Senator Proxmire requested the Comptroller of the Currency and the Federal Reserve Board to undertake an extensive study of the economic impact of the bill and specifically to estimate the net savings, if any, which could accrue to State and local governments as a result of additional bank competition in the field of underwriting. Both studies indicate that additional bank competition would tend to lower the cost of borrowing to State and local governments. Similar conclusions were reached by Prof. Reuben A. Kessel of the University of Chicago who testified before the committee for the bill. The estimate of savings was, however, disputed by Prof. Bertrand Fox, of the Harvard School of Business, who testified before the committee in opposition to the bill.

All studies agree that State and local governments pay a higher rate of interest on revenue bonds than they do on general obligation bonds. Some of this difference can be accounted for by the fact that revenue bonds are of a slightly lower investment quality and slightly longer average maturity. However, when adjustments are made for these factors, a difference of approximately 10 basis points still remains. One basis point is equaled to 0.01 percent, thus, 10 basis points would amount to a difference of approximately one-tenth of 1 percent in interest. Although this may appear small, the annual savings to cities and States would amount to more than $50 million a year in 1968 and as much as $100 million a year by 1975 if the entire 10-basis-point difference were eliminated.

In addition to a higher rate of interest, there is additional evidence of a lack of competition in the revenue bond market. Most general obligation bond issues on which there is bank competition, are subject to competitive bidding. A study by the Comptroller of the Currency shows that over the last 3 years more than 99 percent of general obligation bonds were awarded through competitive bidding. Less than 1 percent were subject to negotiated sales. On the other hand, only 81 percent of revenue bonds were awarded through competitive bidding and 19 percent were awarded through negotiated sales.

In addition to a higher incidence of negotiated sales, revenue bonds also enjoy fewer bids, even when they are issued through competitive bidding. The study by the Comptroller of the Currency shows that on the average, revenue bonds awarded through competitive bidding received 1.64 fewer bids than those received by general obligation bonds. The study by the Federal Reserve Board found the same discrepancy, even after adjusting for any possible effect of differences in investment quality and maturity.

The number of bidders is extremely important to a hard-pressed municipality since the figures show the interest paid is inversely related to the number of bidders. In other words, the greater the number of bidders the lower the rate of interest which the city will have to pay on its bonds. The Comptroller's study has shown that for each additional bidder on revenue bond issues, the rate charged the city declines an average of 2 basis points. The Comptroller of the Currency summarized its study with the following remarks:

"Commercial banks generally do not compete in the market for underwriting revenue bond issues, but they are a major competitive factor in the market for underwriting general obligation issues. With the specific authorization to compete in underwriting revenue bond issues provided by S. 1306, commercial banks would also become a major competitive factor in this market.

"The ensuing increase in competition for underwriting revenue issues will lead to a significant reduction in the interest paid by municipal authorities. Our calculations indicate that the reduction of net interest cost on revenue issues would have been 5.3 basis points in 1966. The calculations for all issues studied (all ratings and all years) indicate that added competition would reduce net interest cost on revenue issues by 3.3 basis points.

* * * * *

"The potential dollar savings to municipal authorities resulting from enactment of S. 1306 are large indeed. A conservative estimate of the total savings on the new municipal revenue bond issues for the period 1968 to 1975 amounts to $117.8 million; it is more likely that the savings will reach $182.5 million. A conservative estimate of the savings on new revenue issues in 1968 amounts to $12.5 million; the savings on new issues each year are likely to exceed $27.0 million by 1975."

The Federal Reserve Board was more cautious in its estimates of potential savings. In testifying before the committee, Gov. George W. Mitchell indicated the bill could result in annual savings of $34 million to State and local governments. However, Governor Mitchell cautioned that it is possible that all of the residual difference in borrowing cost is due to factors other than the absence of commercial bank underwriting. In summing up his testimony, Governor Mitchell indicated:

"Although we have discovered no very reliable way to quantify the possible benefits of this bill in reducing State and local borrowing costs, we are inclined to believe that greater competition and an increase in the number of underwriters and dealers would lead to lower costs in this field."

The endorsement of this legislation by the Federal Reserve Board represents a departure from their opposition to similar bills in the past.

In addition to the studies by the Comptroller and the Federal Reserve Board, Dr. Reuben Kessel of the University of Chicago also attempted to estimate the dollar savings to State and local governments. Professor Kessel developed three methods for estimating the potential savings. Under the first method, the savings would amount to $21.4 million in 1968, increasing to $30.7 million by 1975. Under Professor Kessel's second method, the savings would amount to $25.9 million in 1968 and would increase to $37.2 million by 1975. Under his third method, the savings would increase from $43.2 million in 1968 to $62.1 million by 1975.

The results of these studies tend to show there are small but measurable savings to State and local governments as a result of additional bank competition. In addition to this statistical evidence, it is also reasonable to conclude that as a general rule additional competition tends to reduce costs. Most of our antitrust laws and other policies promoting free and open competition are founded upon the assumption that maximum competition will result in the lowest possible price to the consumer. Although it is often difficult to measure precisely the effect of increased competition, in our free enterprise economy there is a presumption that competition is to be preferred to the absence of competition. Thus, those who would restrict competition have a real burden of proof to show that such restrictions will not in fact result in higher costs to the consumer. The committee believes a reasonable case has been made that bank competition will lower interest charges to State and local governments; moreover, no convincing evidence has been presented to show that the absence of bank competition does not in fact result in a higher cost of borrowing to State and local governments.

One natural consequence of additional bank competition in underwriting would be a broadening of the market for the distribution of municipal revenue bonds. Commercial banks have many potential customers which are not tapped by investment bankers. The addition of these new potential customers should increase the overall demand for revenue bonds, thus resulting in a lower rate of interest.

Also, the very fact that commercial banks are prohibited from underwriting municipal revenue bonds casts some stigma on these bonds in the eyes of the investing public. This may account for some of the difference between the rate of interest charged on general obligation bonds as compared to revenue bonds. Since commercial banks can and do underwrite general obligation bonds, no such comparable stigma attaches to these bonds. By permitting banks to underwrite revenue bonds, any possible stigma associated with such bonds shou'd be removed, leading to greater investor acceptance and a consequent reduction of interest charges to the issuer.

Another advantage of permitting banks to underwrite and deal in revenue bonds is to strengthen the secondary market for revenue bonds. To the extent additional dealers are prepared to make a strong secondary market, the liquidity of revenue bonds is correspondingly enhanced. With increased liquidity, investors should be willing to accept a lower rate of return on the initial reoffering, thereby reducing the net interest cost to State and local governments.

The committee is mindful of the conflict-of-interest arguments raised by those who have opposed this legislation. One possible conflict of interest lies in the role of a bank as an underwriter and in its role as providing investment advice to its correspondent banks. The argument has been made that an underwriting bank, in order to rid itself of a slow issue, might pressure its correspondent banks to purchase such issues on unfavorable terms.

A second argument has been made that a bank might use its trust department to manipulate the price of such bonds in the secondary market in an effort to avoid a loss in its investment account. The committee is convinced that there are no undue conflict-of-interest problems associated with this legislation. Banks have been underwriting general obligation bonds for the last 34 years with no apparent abuses. In testifying before the committee, Governor Mitchell of the Federal Reserve Board stated that: "We have no evidence that bank underwriting of general obligation bonds has resulted in abuses that call for legislative correction." Similar judgments were expressed by the Comptroller of the Currency and the Federal Deposit Insurance Corporation. Moreover, none of the opponents of the bill could provide the committee with documented evidence that banks have, in fact, abused their general obligation bond underwriting authority.

In view of the experience with general obligation bonds, the committee recommends that similar underwriting authority can safely be extended to revenue bonds. Nevertheless, the authority to underwrite revenue bonds should not be considered an inherent right of commercial banks, but rather a privilege which can be revoked if evidence of abuse develops. In this connection, the committee expects the bank supervisory agencies to be particularly alert to any possible conflict of interest which might arise as a result of this legislation. The committee expects the bank supervisory agencies to be especially diligent in scrutinizing purchases of revenue bonds by correspondent banks from underwriting banks, to insure that such purchases are not being made upon terms unfavorable to the correspondent bank. The committee also expects the supervisory agencies to examine closely the activities of the trust accounts of commercial banks to insure that such accounts are not artificially influencing the price of revenue bonds in order to further their underwriting or investment activities.

COMMITTEE AMENDMENTS

In reporting the bill, the committee recommends two amendments which are designed to guard against the conflict-of-interest problem.

The first amendment would require the Secretary of the Treasury to submit an annual report to the Congress concerning the impact of this legislation and particularly the distribution of business between investment banking firms and commercial banks. The investment banks have alleged that commercial banks could force smaller investment banking firms out of business, thereby resulting in a monopoly by commercial banks and a consequent reduction in competition. In view of the rapidly growing market for State and local bonds, the committee does not believe this is a realistic probability. The committee agrees with the judgment of Governor Mitchell of the Federal Reserve Board on the impact of this bill. In testifying on the distribution of business between commercial banks and investment banks, Governor Mitchell indicated:

"In our view, there is ample room for both. In the fiscal year ended June 30, 1967, total new issues of municipal obligations amounted to $13.1 billion, more than double the total for fiscal 1957, and continued rapid growth seems assured. This prospect presents a challenging opportunity for both commercial banks and investment banking concerns to contribute in developing and improving this market.

Although the committee concurs with the judgment of the Federal Reserve Board, the committee is concerned that the bill actually increase competition and not reduce competition by forcing investment bankers out of business. For this reason, the committee believes the annual report from the Secretary of the Treasury of the impact of the bill will provide the Congress with the information it needs to exercise its continuing responsibility in this area.

The second amendment concerns the ability of an underwriting bank to purchase revenue bonds for its own investment account. The committee intends that this legislation will permit commercial banks to underwrite municipal bonds whether revenue or general obligation bonds. Many banks will want to continue to purchase municipal bonds for their own investment account. Indeed, such purchases have represented almost 40 percent of the market. At the same time, the committee does not believe that the bank's investment purchases should be confused with its underwriting activities.

Accordingly, the committee has recommended an amendment which would prohibit a member bank from transferring revenue bonds which it purchased as an underwriter to its investment account during the underwriting period. It is expected that bonds purchased by the banks as an underwriter will be made subject to a genuine public offering, in the event market practices are such that takedown orders for bonds intended for a bank's investment account are commingled with the bank's takedown orders for its underwriting or dealer account then it would be expected that the member bank would disclose this to the syndicate so that the bank's underwriting and investment functions would be clearly understood.

CONSTRUCTION AID FOR VESSELS OPERATING ON THE INLAND RIVERS AND WATERWAYS

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 701, S. 2211.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. S. 2211, to amend title 46, section 1159, to provide for construction aid for certain vessels operating on the inland rivers and waterways.

The PRESIDING OFFICER. Is there

objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, with an amendment, strike out all after the enacting clause and insert:

That section 509 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1159) be amended by inserting after the words, "fourteen knots," the following: "except in the case of a passenger vessel operating solely on the inland rivers and waterways in which case the vessel is designed to be of not less than one thousand gross tons and to be capable of sustained speed of not less than eight knots,".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The title was amended, so as to read: "A bill to amend section 509 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1159) to provide for construction aid for certain vessels operating on the inland rivers and waterways."

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 717), explaining the purposes of the bill.

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

PURPOSE AND EXPLANATION OF THE BILL

The purpose of S. 2211 is to amend section 509 of the Merchant Marine Act of 1936 to increase the amount of Federal ship mortgage insurance available for passenger vessels of not less than 1,000 gross tons with a sustained speed capability of at least 8 knots operating on inland rivers and waterways.

Title XI of the Merchant Marine Act of 1936 authorizes the Secretary of Commerce to guarantee ship mortgages up to 87½ percent of actual cost if the vessel meets minimum size (3,500 gross tons) and sustained speed (14 knots) requirements imposed by section 509 of the 1936 act and if he determines such action to be economically justified. A vessel not meeting these minimum requirements of section 509 are limited to title XI guarantees of 75 percent of actual cost. This proposed legislation would extend the benefit of 87½ percent mortgage guarantee to passenger vessels of a lower tonnage and speed than is now possible but contemplates no additional cost to the Government. The Secretary of Commerce must determine whether the property or project with respect to which the mortgage or loan will be executed will be, in his opinion, economically sound. The insuring of such mortgages involves no cash outlay by the Government except in case of default and the history of the insurance program discloses that the Government has on an overall basis lost no funds by reason of granting title XI mortgage insurance.

Although section 509 of the Merchant Marine Act, 1936, describes and authorizes direct ship construction aid payments in addition to its relationship to title XI of the act, your committee is aware that the section 509 procedures for direct construction aid, in contrast to the title XI mortgage insurance program, is not now in use by the Maritime Administration. However, it is your committee's intention to merely enhance title XI application to smaller passenger vessels operating on inland rivers and waterways. It is not contemplated that application for or use of section 509 direct ship construction payments will be affected by this legislation.

It is believed that this legislation would substantively benefit and encourage the construction of new passenger vessels for use on inland rivers and waterways.

COST OF THE LEGISLATION

Enactment of the bill is expected to involve no additional cost to the Government.

ENROLLED BILLS SIGNED

The PRESIDING OFFICER announced that on today, November 7, 1967, the Acting President pro tempore (Mr. METCALF) signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H.R. 5091. An act to amend Public Law 87-752 (76 Stat. 749) to eliminate the requirement of a reservation of certain mineral rights to the United States; and

H.R. 11627. An act to amend the act of June 16, 1948, to authorize the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain additional bridges and tunnels in the State of Maryland.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 1267. A bill to establish the Sawtooth National Recreation Area in the State of Idaho, and for other purposes (Rept. No. 730).

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S.J. Res. 101. A joint resolution amending title XI of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to guarantee certain loans made to the National Maritime Historical Society for the purpose of restoring and returning to the United States the last surviving American square-rigged merchant ship, the *Kaiulani*, and for other purposes (Rept. No. 731).

By Mr. BYRD of West Virginia, from the Committee on Appropriations, with amendments:

H.R. 8569. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes (Rept. No. 729).

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

H.R. 2. An act to amend titles 10, 14, 32, and 37, United States Code, to strengthen the reserve components of the Armed Forces, and clarify the status of National Guard technicians, and for other purposes (Rept. No. 732).

PIPELINE SAFETY MEASURE—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS (S. REPT. NO. 733)

Mr. HARTKE. Mr. President, on behalf of the senior Senator from Washington [Mr. MAGNUSON], from the Committee on Commerce, I report favorably, with amendments, the bill (S. 1166) to authorize the Secretary of Transportation to prescribe safety regulations for the transportation of natural gas by pipeline, and for other purposes. I ask unanimous consent that the report be printed, together with the supplemental views of Senators LAUSCHE, CANNON, HART, and BREWSTER.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calender; and, without objection, the report will be printed, as requested by the Senator from Indiana.

EXTENSION OF CERTAIN NAVAL VESSEL LOANS NOW IN EXISTENCE—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 734)

Mr. FULBRIGHT. Mr. President, from the Committee on Foreign Relations, I report favorably, with additional amendments, the bill (H.R. 6167) to authorize the extension of certain naval vessel loans now in existence, and a new loan, and for other purposes. I ask unanimous consent that the report be printed, together with the minority views of the Senator from Pennsylvania [Mr. CLARK].

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Arkansas.

BILLS INTRODUCED

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

By Mr. DIRKSEN:

S. 2627. A bill to amend title 28 of the United States Code to establish the National Foundation of Law to promote improvement in the administration of justice in the United States; and

S. 2628. A bill to amend the act entitled "An act to incorporate the National Education Association of the United States," approved June 30, 1906 (34 Stat. 804); to the Committee on the Judiciary.

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

By Mr. YOUNG of North Dakota:

S. 2629. A bill for the relief of Andree Josette Borge; to the Committee on the Judiciary.

By Mr. HANSEN:

S. 2630. 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.

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

By Mr. MONDALE:

S. 2631. A bill to amend section 221(h) of the National Housing Act; to the Committee on Banking and Currency.

By Mr. SPARKMAN:

S. 2632. A bill to provide for the conveyance of certain public land held under color of title to Mrs. Jessie L. Gaines of Mobile, Ala.; to the Committee on Interior and Insular Affairs.

By Mr. NELSON:

S. 2633. A bill for the relief of Adoracion S. Nitro; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2634. A bill to amend section 867(a)

of title 10, United States Code, in order to establish the Court of Military Appeals as the U.S. Court of Military Appeals under article I of the Constitution of the United States, and for other purposes; to the Committee on Armed Services.

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

RESOLUTION

RELATIVE TO DEATH OF HON. JOHN NANCE GARNER

Mr. BYRD of West Virginia (for Mr. MANSFIELD and Mr. DIRKSEN) submitted a resolution (S. Res. 183) relative to the death of Hon. John Nance Garner, which was considered and agreed to.

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

ESTABLISHMENT OF A NATIONAL FOUNDATION OF LAW TO PROMOTE IMPROVEMENT IN THE ADMINISTRATION OF JUSTICE IN THE UNITED STATES

Mr. DIRKSEN. Mr. President, the strength of any free society rests ultimately upon its system of justice, on each citizen's certain knowledge that justice will be done. We in the United States have always recognized this simple truth and have been remarkably successful in making it a continuing reality, with the scales of justice always in tolerably steady balance.

I believe the scales still are substantially in balance, Mr. President, but the growing weight that they must bear is threatening to swamp them. We are now nearly 200 million people, living in the most complex social and technical society known to man. And our system of justice, however sound and healthy at its core, is steadily losing ground to this new mass and complexity, despite valiant efforts on the part of our law schools and many dedicated men in the legal profession. I am not suggesting that our legal system is in need of a vast overhaul. But I do believe that it needs much more of our attention and resources if it is to continue to be the best of all possible foundations for a vigorous and growing nation of infinite complexity.

It has been estimated that the law receives less than 1 percent of the funds expended by private foundations for research and education.

And only a fraction of this amount has been available for empirical research that would make our legal institutions and processes more capable of dealing with the vast new problems thrust upon them. The legal field has fared even more poorly at the hands of existing Federal foundations, sharing scarcely at all in the vast expenditures, directed primarily to research in the physical sciences and medicine.

There presently is no nationally oriented foundation consistently concentrating its funds and attention on problems of the law and its relationship to the developing society it must serve. To help correct this serious imbalance in our national priorities for research and education, I am today introducing a bill that would create a National Law Foundation with the primary goal of improving the administration of justice in the United States. The Nation faces no problems more critical than those that could be attacked by this Foundation. It is designed to support research and education projects in all aspects of the law and legal processes by grants to local, State, regional, national, and private agencies and law schools. It would provide badly needed assistance for legal education, including prelaw studies, basic and graduate legal education, advanced study for professional specialization, and continuing education in new developments; new and improved law libraries and other facilities and services including technical training for research and experimentation, development and revision of the law, and for increasing the legal services available to the public.

Mr. President, the law and its processes are central to all aspects of our national life, and it is time that we make them a central concern in our allocation of resources for research and education. Problems in this field are matters of growing concern to legal scholars and educators, to the judges and administrators of our courts, and to knowledgeable leaders of the legal profession.

Both the American Bar Association and the Association of American Law Schools have endorsed the principle of a National Law Foundation as an essential aid to our legal institutions as they struggle to remain responsive to the changing requirements of our modern world.

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

The bill (S. 2627) to amend title 28 of the United States Code to establish the National Foundation of Law to promote improvement in the administration of justice in the United States, introduced by Dr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

WASHAKIE WILDERNESS

Mr. HANSEN. Mr. President, I introduce, for appropriate reference, a bill to designate the Washakie Wilderness in the Shoshone National Forest as a national wilderness area. This proposed wilderness area includes nearly 680,000 acres which would be preserved against commercialization and set aside for hunting, hiking, and the enjoyment of nature for this and future generations. The area is about 30 miles southeast of Yellowstone National Park and 220 miles northwest of Casper.

The boundaries of this proposed wilderness area would represent a true blending of the multiple-use concept of Wyoming's great primitive forest areas. The designation of this wilderness area exemplifies the cooperative approach among the Forest Service, wilderness people, and resource people, including the lumber industry, the mining industry, and the oil and gas industries.

Few lands in the West would compare in beauty with the Washakie Wilderness. The area has good accessibility and typifies the rugged beauty and strength of wonderful Wyoming.

The President has endorsed this legislation in his message to the Congress on October 6. I ask unanimous consent that his message be printed in the RECORD following my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the message from the President will be printed in the RECORD, as requested by the Senator from Wyoming.

The bill (S. 2630) 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, introduced by Mr. HANSEN, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The President's message, ordered to be printed in the RECORD, reads as follows:

THE WHITE HOUSE,
Washington, D.C., October 6, 1967.

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

DEAR MR. PRESIDENT: Just 60 miles from the Los Angeles metropolitan area lies a wilderness of rocky cliffs and deep canyon inhabited only by rare California condors, deer, and other wildlife.

Just last February I asked the Congress to declare this area—the San Rafael Wilderness—a part of the National Wilderness Preservation System, both for the enjoyment of our own and future generations and as a symbol of man's respect for nature's work.

The Wilderness Act of 1964 gives us the authority to preserve this region and others like it. When I signed that Act in September 1964 I noted that it was a major conservation measure which would preserve millions of "acres of this vast continent in their original and unchanging beauty and wonder."

I now propose that three additional areas—in California, Oregon, and Wyoming—also be proclaimed wilderness areas. This action will not cost the American taxpayer a penny. But it will enrich the lives of every citizen.

The Federal Government already has jurisdiction over these lands. They have been the subjects of open hearings and intensive studies and have been recommended by the Secretary of Agriculture for inclusion in the wilderness system.

These three areas are admirably suited to become additions to that system.

The proposed San Gabriel Wilderness in California is a part of the Angeles National Forest and comprises some 36,000 acres of primitive mountain terrain some 35 miles northeast of the City of Los Angeles. It is uninhabited and provides much needed opportunities for hiking, fishing, hunting, camping, and other public use.

The Mt. Jefferson Wilderness would comprise 96,000 acres now included within the Willamette, Deschutes, and Mt. Hood National Forests, some 60 miles from Salem, Oregon. This wilderness contains the second tallest peak in Oregon, nearly 150 lakes, 160 miles of trails, and good fishing and hunting.

The proposed Washakie Wilderness, Shoshone National Forest, Wyoming, includes nearly 680,000 acres. This area provides excellent hunting, a rugged region for hiking, and an opportunity to discover petrified remains of ancient forests.

I urge the Congress to preserve these priceless national assets by approving their inclusion in the wilderness system.

Sincerely,

LYNDON B. JOHNSON.

U.S. COURT OF MILITARY APPEALS

Mr. PASTORE. Mr. President, I send to the desk, for reference to the appropriate committee, the bill with the following explanation. Well over 17 years ago, after careful and thorough analysis of the state of discipline and justice in our Armed Forces, the Congress enacted the Uniform Code of Military Justice. That action was taken in response to the many complaints from all segments of our society about the injustices visited upon our servicemen in the name of military justice. Without retracing painful ground, I believe it is sufficient to observe that the hearings then conducted satisfied the Congress of the essential validity of those complaints.

For the first time in our history, the Uniform Code established a single court-martial system for all of the services and, at the apex of the tribunals there provided for, it placed the Court of Military Appeals. This court consists of three judges appointed from civilian life by the President, with the advice and consent of the Senate. It reviews the records of trial by courts-martial in the following cases: First, all cases in which the penalty affects a general or flag officer, or extends to death; second, all cases which the Judge Advocate General orders forwarded for review; and, third, all cases which, upon petition of the accused and on good cause shown, the court has granted a review.

Functioning as the supreme court of the military services, the Court of Military Appeals has consistently interpreted the Uniform Code in the spirit in which the Congress enacted it. By insisting upon high professional performance by all personnel involved at all levels of the court-martial system, and upon strict compliance with the Uniform Code, it has eliminated many of the justified grounds for the complaints lodged against the earlier procedures. To a great extent public confidence in the essential fairness of courts-martial has been restored at all levels of our society and, during their tenures of office, a Chairman of the Joint Chiefs of Staff, and an Army Chief of Staff, have declared that under the code, the Army has achieved the highest state of discipline and good order in its history.

Despite the enviable record this judicial tribunal has established, I am shocked to learn that there yet remain pockets of resistance to the objectives of the Uniform Code, and misconceptions of the status of the military's supreme court. If these were mere academic matters, they would not warrant more than passing notice. But the portents of expressed beliefs that the Court of Military Appeals is merely an administrative agency are so fraught with the danger that such beliefs will inspire attempts to circumvent the court's mandates and thus increase the difficulties of its already burdensome responsibilities, that action is required.

This legislation will curb all attempts to revert to a rejected view of the nature and objectives of military justice, and will lay at rest any lingering doubts about the status of the court.

The proposed legislation makes no change in the basic structure or functions of the Court of Military Appeals. Rather, it expressly confirms the original intent of the Congress to establish a legislative court under article I of the Constitution as a necessary and proper means of carrying into execution our constitutionally imposed duty "To make rules for the Government and regulation of the land and naval forces." Implicit in this confirmation is the recognition of the effectiveness of the court, and a declaration of our firm resolve to eliminate any obstacle to the continued success of its judicial endeavors.

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

The bill (S. 2634) to amend section 867(a) of title 10, United States Code, in order to establish the Court of Military Appeals as the U.S. Court of Military Appeals under article I of the Constitution of the United States, and for other purposes, introduced by Mr. PASTORE, was received, read twice by its title, and referred to the Committee on Armed Services.

POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967—AMENDMENTS

AMENDMENT NO. 433

Mr. BYRD of Virginia submitted amendments, intended to be proposed by him, to the bill (H.R. 7977) to adjust certain postage rates, to adjust the rates of basic compensation for certain officers and employees in the Federal Government, and to regulate the mailing of pandering advertisements, and for other purposes, which were referred to the Committee on Post Office and Civil Service and ordered to be printed.

(See reference to the above amendment when submitted by Mr. BYRD of Virginia, which appears under a separate heading.)

PROVISION FOR FLYING AMERICAN FLAG OVER THE REMAINS OF THE U.S.S. "UTAH"—AMENDMENT

AMENDMENT NO. 434

Mr. MOSS submitted an amendment, intended to be proposed by him, to the bill (S. 479) to provide for the flying of the American flag over the remains of the U.S.S. *Utah* in honor of the heroic men who were entombed in her hull on December 7, 1941, which was referred to the Committee on Armed Services and ordered to be printed.

(See reference to the above amendment when submitted by Mr. Moss, which appears under a separate heading.)

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL, 1968

AMENDMENT NO. 435

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8569) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes, the following amendment, namely: Page 17, after line 16, insert the following:

"SEC. 18. 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 9, 1967.'"

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 8569, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

DR. RICARDO VALLEJO SAMALA—AMENDMENT

AMENDMENT NO. 436

Mr. BAKER submitted an amendment, intended to be proposed by him, to the bill (H.R. 2275) for the relief of Dr. Ricardo Vallejo Samala, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Florida [Mr. SMATHERS] I ask unanimous consent that, at its next printing, the name of the Senator from Tennessee [Mr. BAKER] be added as a cosponsor of the joint resolution (S.J. Res. 61) in honor of Amelia Earhart and Joan Merriam Smith.

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

Mr. HART. Mr. President, I ask unanimous consent that, at its next printing, the names of the junior Senator from Wisconsin [Mr. NELSON] and the junior Senator from Pennsylvania [Mr. SCOTT] be added as cosponsors of the bill (S. 2321) to supplement the antitrust laws of the United States in order to prevent anticompetitive practices, by providing for just compensation upon termination of certain franchise relationships.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON] I ask unanimous consent that, at its next printing, the names of the senior Senator from Indiana [Mr. HARTKE] and the senior Senator from Maryland [Mr. BREWSTER] be added as cosponsors of the bill (S. 1166) to authorize the Secretary of Transportation to prescribe safety regulations for the transportation of natural gas by pipeline, and for other purposes.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Minnesota [Mr. MONDALE] I ask unanimous consent that, at its next printing,

the name of the distinguished Senator from North Dakota [Mr. YOUNG] be added as a cosponsor of the bill (S. 2527) to encourage the movement of butter into domestic commercial markets.

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

POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967

AMENDMENT NO. 433

Mr. BYRD of Virginia. Mr. President, I submit an amendment to H.R. 7977, Federal pay raise bill, and ask that it be printed and referred to the appropriate committee.

The PRESIDING OFFICER (Mr. GORE in the chair). The amendment will be received, printed, and appropriately referred.

The amendment (No. 433) was referred to the Committee on Post Office and Civil Service.

Mr. BYRD of Virginia. Mr. President, this amendment would delete section 216 of the bill, which authorizes a Presidential Commission to review the rates of pay for Members of Congress, the judiciary, and high-ranking members of the executive branch, and to make recommendations for periodic salary increases.

I object to this section for two reasons.

First, it would permit the salaries and allowances of Members of the Congress to be increased without a vote of any kind.

Second, this section would give to the President powers that constitutionally belong to the Congress.

On February 21, of this year, the Senate approved an amendment which I introduced to the Legislative Reorganization Act providing that any future changes in the rate of compensation for the Members of Congress shall be the subject of a separate item of legislation and shall be acted on separately by a yea and nay vote.

I offered this amendment because I believe the American people feel that the Congress should be absolutely aboveboard on any action it takes affecting itself.

The last two changes in compensation for Members of Congress—one in 1955 and a more recent one in 1964—were acted upon as part of a larger piece of legislation. They were not voted on separately.

I believe the American people want Members of the Congress to be adequately compensated. They know the arduous duties undertaken by the Members of Congress, and they know the expenses which are involved in carrying out these duties. So I do not think the American people want to deprive their representatives of fair and adequate compensation.

But, simultaneously, I believe they want to know the recorded vote of these men who, unlike most other Americans, have the power to make their own decision and set their own salaries at any figure they desire.

Mr. President, I feel, in justice to the American people, that when the compensation of their representatives is changed, it be done by a separate recorded vote, which would not be the case were section 216 to become law.

Section 216 would nullify the amendment to the Reorganization Act, which the Senate approved last February by voice vote.

I was pleased at the time of that vote that my distinguished colleague from Oklahoma [Mr. MONRONEY] who, by the way, was chairman of the committee reporting the Reorganization Act as well as being the chairman of the committee considering this new pay raise bill—accepted my amendment and indeed went so far as to say:

> I think we would be setting a good precedent. I think it would be desirable to have the same rule in both Houses.

My distinguished colleague from New Hampshire [Mr. COTTON] agreed, and I quote:

> It would be far better to provide adequate salaries, openly and above board, with no question about it.

My distinguished colleague from Ohio [Mr. LAUSCHE], who cosponsored my amendment, spoke for a good many Senators when he said:

> If Senators will speak up, especially on a proposal signified by a recorded vote on how they stand, in my judgment, the dignity of the Senate will be elevated, the position of Senators will be strengthened, and it will be accepted by the public as being worthy of adoption.

Section 216 of the new Federal pay raise bill would create a Commission appointed by the President to recommend salary increases for Members of Congress. These recommendations can be accepted or changed by the President, and would then become law without a vote of any kind—unless Congress specifically objected within a period of 30 days.

The negative power of veto which would be retained by Congress is a far cry from having one's vote recorded on a separate item of legislation. Members of the Congress could give themselves a pay raise by simply saying nothing.

Mr. President, a recent editorial in the Richmond Times Dispatch has drawn attention to this little-noted provision of the pay raise bill in an editorial entitled, "Those Sly Rascals." Thus, the Congress is leaving itself open to this kind of criticism.

I also object to taking away powers granted to the Congress under the Constitution and giving them to the President.

Section 216 stipulates that the President shall include in his budget "his recommendations with respect to the exact rates of pay and the exact amounts and kinds of expenses and allowances, including any specific requirements, conditions, and other matters relating thereto which he deems advisable."

I do not believe we should turn over to a Presidential Commission the power to set salaries and allowances for Congressmen, for the members of the judiciary, and for high-ranking officers of the executive branch. In time, this could tend to give the President additional power over the Congress.

I am concerned that the executive branch already has too much power. Under the Constitution, the Congress is a coequal branch of Government, with certain powers assigned to it exclusively. Foremost among those powers is control over the public moneys. The Congress has been giving away too much power to the Chief Executive.

I have a deep feeling about Congress—the Senate in particular. Although I have not been here very long, in an indirect way I have had a rather long association with this distinguished body. I have a deep affection for it. I am aware of the very high caliber of men who occupy seats in this Chamber.

That is why I feel that deletion of section 216 would be helpful to the Congress as a whole. To fail to delete this section would further erode congressional power. Deletion of section 216, also, would give the people of this Nation more confidence in their public officials, because action regarding their compensation would be spread on the record.

For these reasons, I feel section 216 of this bill should be deleted.

The PRESIDING OFFICER. Is there further morning business?

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

Mr. LONG of Louisiana. Mr. President, I move that the Senate stand in recess until 1:30 p.m.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and (at 12 o'clock and 37 minutes p.m.), the Senate took a recess until 1:30 p.m., when called to order by the Presiding Officer (Mr. PELL in the chair).

SECRET SERVICE PROTECTION FOR WIDOW AND MINOR CHILDREN OF A FORMER PRESIDENT

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13165.

The PRESIDING OFFICER laid before the Senate H.R. 13165, to extend the period during which Secret Service protection may be furnished to a widow and minor children of a former President, which was read twice by its title.

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to its immediate consideration.

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

There being no objection, the Senate proceeded to consider the bill.

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

JOHN NANCE GARNER

Mr. YARBOROUGH. Mr. President, I rise to give to the Senate the sad intelligence of the passing away this morning, at about 8:20 central standard time, of the former President of the Senate, John Nance Garner. This was just 15 days before his 99th birthday.

John Nance Garner was born in Red River County, Tex., on November 22, 1868. That is only one county removed from the home of the late Speaker of the House, Sam Rayburn.

John Nance Garner had only limited educational opportunities, but he studied in a law office, and was largely self-educated. He was admitted to the bar in 1890.

Because of a health impairment, he was told by doctors that he would probably not have a very vigorous life and probably would not live too long. He moved to Uvalde, Tex., some 85 miles west of San Antonio, for his health. Having recovered his health, he began the practice of law there, also serving as a judge of Uvalde County from 1893 to 1897. He was elected to the State house of representatives, where he served 4 years, from 1899 to 1903. He was elected to the U.S. Congress in 1902, and was sworn in on March 4, 1903. He served in the House from that date until March 3, 1933, a period of 30 years.

He was minority floor leader in the 71st Congress. He was elected Speaker of the House in the 72d Congress and served as Speaker from 1931 to 1933. He was elected Vice President of the United State in 1932, serving 8 years as Vice President with former President Franklin D. Roosevelt.

John Nance Garner was an unusual person. He was a true product of the frontier, vigorous in mind and in thought, frank and bold in expression. He reached the highest governmental office ever reached by any Texan up to that time. He was the first Texan Speaker of the House of Representatives. He was the first Texan Vice President. His rugged frontier qualities were responsibile for his reaching that office; he had no political machine or organization back there.

He paved the way for others in his home State and caused other sections of the Nation to look at Texas in a new dimension—as a producer of speakers, Vice Presidents, and Presidents, for John Nance Garner was a serious contender for the presidency in his own right.

All Texans are in his debt. The Democratic Party is in his debt and, beyond that, the American people are in his debt for his long, dedicated, and honorable service, in the true democratic spirit.

He was my old and trusted friend, who counseled and aided me over many years. He pioneered the way for others of us who serve the Government now. I treasure the memory of my every visit with him. He symbolized frankness and the direct approach. There was never any doubt about where he stood. He was free of guile, as direct and true as the frontier which produced him. Texas honors her great.

It is another great distinction that John Nance Garner was one of two men who had served both as Speaker of the House and as Vice President. The other was Schuyler Colfax of Indiana.

Mr. Garner was married to Ettie Rheiner. They have one son now living, Tully Garner; one granddaughter, Genevive, who is married to Mr. Curry of Amarillo; and they have three great grandchildren.

In 1948, when Harry Truman was conducting a spectacular rear platform campaign from a railroad train he paid John Nance Garner a visit at Uvalde, Tex., where he had breakfast with Mr. Garner. John Nance Garner was then some 80 years of age. Harry Truman stated the next day:

> I had a most happy breakfast a while ago, when I stopped to see John Garner. He gave us chicken, and whitewing dove, and ham, and bacon, and scrambled eggs, and hot biscuits, and orange juice, and rice; and if there is anything else you can think of, it was on that breakfast table. I never had such a breakfast since I quit the farm.

Harry Truman's visit with John Nance Garner will be long remembered. President Truman said he remembered John Nance Garner and Will Rogers well, because whenever Will Rogers came to the Capitol, he had lunch with John Nance Garner.

I shall miss our distinguished former Vice President, who passed away unexpectedly. His family were preparing for his 99th birthday, which was 15 days away, and he appeared to be in good health for a man of his age.

The United States and Texas have lost one of the most astute men politically ever to serve this Nation.

INTERGOVERNMENTAL PERSONNEL ACT OF 1967

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 699) to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State and local merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I would like to ask the distinguished majority leader about the calendar for the balance of the week and, insofar as he knows, for the following week as well.

Mr. MANSFIELD. Mr. President, in response to the question raised by my distinguished colleague, the minority leader, it is anticipated that following the disposition of the pending business, we will call up the conference report on redistricting for consideration tomorrow. That measure will cause some debate. Also, if there is no objection, we will take up the District of Columbia appropriation bill tomorrow. That bill was reported today. Furthermore, if it is received in time, the Senate will consider the foreign assistance conference report.

On Thursday, we will take up the bill having to do with pipeline safety and perhaps S. 633, involving the Foreign Service personnel system of the United States Information Agency, which is on the calendar.

On Friday, it is anticipated that we will take up the military construction appropriation bill; and because Veterans Day will be celebrated on Friday, I would like to have the Senate meet at 10 o'clock Friday morning and dispose of that bill at the earliest possible time.

Next week, it is anticipated, barring unforeseen events, that we will take up the social security bill. Also, next week, the elementary and secondary education bill will be considered on Thursday, the 16th. That will be a week from Thursday.

I am anticipating also that the postal rate and civilian pay raise bill will be ready for floor action later next week.

There will be other matters in between, but as of now this is the best information I can offer as to advice concerning the schedule.

Mr. DIRKSEN. I thank the majority leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the benefit of the minority leader, who is temporarily absent from the floor, I would like to add to the legislative program previously announced that later this week the Senate will consider Calendar Order No. 712, H. R. 10595, on which I understand there will be some debate. This legislation would prohibit certain banks and savings and loan associations from fostering or participating in gambling activities.

I would say that we would consider

that measure on either tomorrow or Thursday. However, on Friday I think the only measure for consideration will be the military construction appropriations bill.

PUBLIC WORKS AND ATOMIC ENERGY COMMISSION APPROPRIATION BILL, 1968—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11641) making appropriations for certain civil functions administered by the Department of Defense, the Panama Canal, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Atlantic-Pacific Interoceanic Canal Study Commission, the Delaware River Basin Commission, Interstate Commission on the Potomac River Basin, the Tennessee Valley Authority, and the Water Resources Council, for the fiscal year ending June 30, 1968, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The assistant legislative clerk read the report.

(For conference report, see House proceedings of October 25, 1967, p. 29916, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, I am sorry that the conferees could not reach unanimous agreement. I had hoped that the Senate could have retained more of its increases; however, I realize that all legislation is the result of compromise. Under the circumstances, I believe the Senate conferees did the best they could, and I am pleased that the report was signed by all of the Senate conferees.

The conference bill provides $4,690,813,000, assuming that the Senate insists on the conference agreement of $875,000 on the Dickey-Lincoln School Dam and Reservoirs project in Maine and recedes on its increase of $22,000,000 for construction grants for sewage treatment works, which is $75,251,000 below the amount approved by the Senate; $67,891,000 above the House; $177,000,000 below the budget; and $380,642,000 above the appropriation for fiscal year 1967.

I ask unanimous consent to have printed at this point in the RECORD a summary table explaining the action of the conferees on the various items in the bill.

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

TABLE 1.—*Summary table (Oct. 12, 1967)*

Item	Appropriations, 1967	Budget estimate, 1968	House allowance	Senate allowance	Conference allowance
TITLE I—DEPARTMENT OF DEFENSE—CIVIL					
DEPARTMENT OF THE ARMY					
Cemeterial expenses: Salaries and expenses	[1] $17,148,000	$24,637,000	$21,200,000	$21,200,000	$21,200,000
Corps of Engineers—civil:					
General investigations	32,450,000	39,745,000	33,745,000	36,246,000	34,445,000
Construction, general	967,460,000	[2] 972,992,000	935,074,000	1,010,823,000	968,474,000
Operation and maintenance, general	179,000,000	197,634,000	189,000,000	190,000,000	190,000,000
Flood control and coastal emergencies	7,000,000				
Flood control, Mississippi River and tributaries	87,135,000	77,400,000	83,400,000	91,480,000	87,135,000
General expenses	[3] 18,014,000	19,914,000	18,950,000	18,950,000	18,950,000
Total, rivers and harbors and flood control	1,291,059,000	1,307,685,000	1,260,169,000	1,347,499,000	1,299,004,000
The Panama Canal:					
Canal Zone Government:					
Operating expenses	[4] 34,746,000	36,191,000	36,000,000	36,000,000	36,000,000
Capital outlay	2,000,000	5,024,000	4,500,000	4,500,000	4,500,000
Panama Canal Company: *Limitation on general administrative expenses*	[5] *(12,278,000)*	*(13,267,000)*	*(13,000,000)*	*(13,000,000)*	*(13,000,000)*
Total, the Panama Canal	36,746,000	41,215,000	40,500,000	40,500,000	40,500,000
Total, title I	1,344,953,000	1,373,537,000	1,321,869,000	1,409,199,000	1,360,704,000
TITLE II—DEPARTMENT OF THE INTERIOR					
Bureau of reclamation:					
General investigations	15,075,000	16,523,000	16,000,000	21,555,000	16,523,000
Construction and rehabilitation	[6] 192,825,000	[7] 181,868,000	172,700,000	185,005,000	181,868,000
Operation and maintenance	[8] 42,350,000	49,540,000	48,300,000	48,300,000	48,300,000
Loan program	12,995,000	15,000,000	15,000,000	15,400,000	15,000,000
Upper Colorado River Basin fund	50,198,000	[9] 41,260,000	41,000,000	41,000,000	41,000,000
Emergency fund	1,000,000				
General administrative expenses	[10] 11,567,000	11,356,000	11,356,000	11,356,000	11,356,000
Total, Bureau of Reclamation	326,010,000	315,547,000	304,356,000	322,616,000	314,047,000
Bonneville Power Administration:					
Construction	109,000,000	120,006,000	110,500,000	110,500,000	110,500,000
Operation and maintenance	17,010,000	19,000,000	18,500,000	18,500,000	18,500,000
Total, Bonneville Power Administration	126,010,000	139,006,000	129,000,000	129,000,000	129,000,000
Southeastern Power Administration: Operation and maintenance	1,000,000	1,000,000	850,000	850,000	850,000
Southwestern Power Administration:					
Construction	3,950,000	[11] 5,505,000	5,035,000	5,015,000	5,015,000
Operation and maintenance	2,115,000	2,240,000	2,240,000	2,240,000	2,240,000
Continuing fund (*indefinite appropriation of receipts*)	*(3,700,000)*	*(3,200,000)*	*(3,200,000)*	*(3,200,000)*	*(3,200,000)*
Total, Southwestern Power Administration	6,065,000	7,745,000	7,275,000	7,255,000	7,255,000
Underground electric power transmission research		2,000,000			
Federal Water Pollution Control Administration:					
Water supply and water pollution control [12]	75,439,000	101,114,000	90,800,000	94,935,000	92,800,000
Buildings and facilities	[13] 4,624,000	1,920,000			
Construction grants for waste treatment works [12]	153,000,000	203,000,000	203,000,000	225,000,000	203,000,000
Total, Federal water pollution control	233,063,000	306,034,000	293,800,000	319,935,000	295,800,000
Total, definite appropriations	692,148,000	771,332,000	735,281,000	779,656,000	746,952,000
Total, indefinite appropriations	3,700,000	3,200,000	3,200,000	3,200,000	3,200,000
Total, title II, Department of the Interior	695,848,000	774,532,000	738,481,000	782,856,000	75,0152,000

See footnotes at end of table.

TABLE 1.—*Summary table (Oct. 12, 1967)*—Continued

Item	Appropriations, 1967	Budget estimate, 1968	House allowance	Senate allowance	Conference allowance
TITLE III—ATOMIC ENERGY COMMISSION					
Operating expenses	$1,923,000,000	[14] $2,169,900,000	$2,125,000,000	$2,142,402,000	$2,140,000,000
Plant and capital equipment	276,030,000	[15] 476,200,000	367,733,000	369,633,000	369,133,000
Total, title III, Atomic Energy Commission	[16] 2,199,030,000	[16] 2,646,100,000	2,492,733,000	2,512,035,000	2,509,133,000
TITLE IV—INDEPENDENT OFFICES					
Atlantic-Pacific Interoceanic Canal Study Commission	[17] 4,000,000	7,500,000	6,115,000	6,100,000	6,100,000
Delaware River Basin Commission:					
Salaries and expenses	45,000	45,000	45,000	45,000	45,000
Contribution to the Delaware River Basin Commission	115,000	134,000	134,000	134,000	134,000
Total, Delaware River Basin Commission	160,000	179,000	179,000	179,000	179,000
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000
Tennessee Valley Authority: Payment to Tennessee Valley Authority fund	63,700,000	62,150,000	60,000,000	62,150,000	61,000,000
Water Resources Council:					
Water resources planning	600,000	1,340,000	1,070,000	1,070,000	1,070,000
Financial assistance to States	1,875,000	2,470,000	2,470,000	2,470,000	2,470,000
Total, Water Resources Council	2,475,000	3,810,000	3,540,000	3,540,000	3,540,000
Total, title IV, Independent Offices	70,340,000	73,644,000	69,839,000	71,974,000	70,824,000
Grand totals:					
Total, definite appropriations	4,306,471,000	4,864,613,000	4,619,722,000	4,772,864,000	4,687,613,000
Total, indefinite appropriations	3,700,000	3,200,000	3,200,000	3,200,000	3,200,000
Grand total, all titles	4,310,171,000	4,867,813,000	4,622,922,000	4,776,064,000	4,690,813,000

[1] Includes $2,050,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[2] Includes $20,419,000 in H. Doc. 114, 90th Cong., 1st sess.
[3] Includes $464,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[4] Includes $1,342,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[5] Includes $278,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[6] Includes $450,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[7] Includes $1,900,000 in H. Doc. 114, 90th Cong., 1st sess.
[8] Includes $1,350,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[9] Includes $1,600,000 in H. Doc. 119, 90th Cong., 1st sess.
[10] Includes $267,000 in 2d supplemental 1967, H.R. 9481, 90th Cong., 1st sess.
[11] Includes $400,000 in H. Doc. 114, 90th Cong., 1st sess.
[12] Reflects transfer of $20,000,000 in 1967 and $10,000,000 in 1968 for activities transferred in the estimate from "Construction grants for waste treatment works" to "Water supply and water pollution control."
[13] In addition, unexpended balances of $1,655,618 reappropriated in 1967 Department of Labor and Health, Education, and Welfare Appropriation Act.
[14] Includes $40,000,000 submitted in H. Doc. 62 and decrease of $14,900,000 submitted in H. Doc. 80.
[15] Includes $59,800,000 and $68,200,000 submitted in H. Docs. 62 and 111, respectively.
[16] In addition, it is estimated that receipts and reimbursements will be made available from non-Federal sources totaling $66,610,000 and $58,840,000 for fiscal years 1967 and 1968, respectively.
[17] In addition, unobligated balances of $2,691,000 reappropriated in 1967 Public Works Appropriation Act.

TITLE I. CORPS OF ENGINEERS, GENERAL INVESTIGATIONS

Mr. ELLENDER. Mr. President, for general investigations of the Corps of Engineers, the bill provides $34,445,000, which is $1,801,000 below the amount approved by the Senate; $700,000 above the amount allowed by the House; $5,300,000 below the budget; and $1,995,000 above the appropriation for 1967.

I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the details of the amount allowed for this item.

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

TABLE 4.—*General investigations, operation and maintenance, and general expenses, fiscal year 1968 (Oct. 12, 1967)*

Item	1967 appropriation	Approved budget estimate for fiscal year 1968, construction and planning	House allowance, construction and planning	Senate allowance, construction and planning	Conference allowance, construction and planning
GENERAL INVESTIGATIONS					
1. Surveys:					
(a) Navigation studies	$3,490,000	$3,863,000	$3,944,000	$4,280,000	$4,244,000
(b) Flood control studies	8,685,000	8,807,000	8,937,000	9,336,000	9,257,000
(c) Beach erosion cooperative studies	550,000	660,000	680,000	680,000	680,000
General reduction due to slippage		−500,000			
Subtotal, navigation, flood control, and beach erosion studies	12,725,000	12,830,000	13,561,000	14,296,000	14,181,000
(d) Comprehensive basin studies:					
(1) California region	105,000	481,000	481,000	481,000	481,000
(2) Columbia North Pacific region	417,000	537,000	537,000	537,000	537,000
(3) Connecticut River Basin, Conn., Mass., Vt., and N.H.	505,000	299,000	299,000	299,000	299,000
(4) Grand River Basin, Mich.	261,000	246,000	246,000	246,000	246,000
(5) Great Lakes region		85,000	85,000	85,000	85,000
(6) Kanawha River, W. Va., Va., and N.C.	473,000	484,000	484,000	484,000	484,000
(7) Lower Colorado region	78,000	81,000	81,000	81,000	81,000
(8) Missouri River Basin	407,000	312,000	312,000	312,000	312,000
(9) North Atlantic region	471,000	594,000	594,000	594,000	594,000
(10) Pearl River Basin, Miss.	235,000	175,000	175,000	175,000	175,000
(11) Puget Sound area, Washington	361,000	282,000	282,000	282,000	282,000
(12) Red River below Denison Dam, La., Ark., Okla., and Tex.	417,000	281,000	281,000	281,000	281,000
(13) Souris-Red region		108,000	108,000	108,000	108,000
(14) Susquehanna River Basin, N.Y., Pa., and Md.	590,000	589,000	589,000	589,000	589,000
(15) Upper Colorado region	52,000	54,000	54,000	54,000	54,000
(16) Upper Mississippi River Basin	500,000	485,000	485,000	485,000	485,000
(17) Wabash River, Ind. and Ill.	503,000	371,000	371,000	371,000	371,000
(18) White River Basin, Ark. and Mo.	371,000	380,000	380,000	380,000	380,000
(19) Willamette River Basin, Oreg.	549,000	328,000	328,000	328,000	328,000
(e) Special studies:					
(1) Appalachian region water resource study	1,830,000	2,000,000			
(2) Chesapeake Bay model study	100,000	400,000	400,000	400,000	400,000
(3) Coordination studies with other agencies (Public Law 566, Public Law 984)	316,000	460,000	615,000	615,000	615,000
(4) Great Lakes-Hudson River Waterway, N.Y.	76,000	100,000	100,000	100,000	100,000
(5) Jersey Meadows, N.Y. and N.J.	188,000	100,000	100,000	100,000	100,000
(6) Lake Erie-Ontario Waterway, N.Y.	305,000	100,000	400,000	400,000	400,000

TABLE 4.—*General investigations, operation and maintenance, and general expenses, fiscal year 1968 (Oct. 12, 1967)*—Continued

Item	1967 appropriation	Approved budget estimate for fiscal year 1968, construction and planning	House allowance, construction and planning	Senate allowance, construction and planning	Conference allowance, construction and planning
GENERAL INVESTIGATIONS—continued					
1. Surveys—Continued					
(e) Special studies—Continued					
(7) Northeastern United States water study	$325,000	$500,000	$500,000	$500,000	$500,000
(8) Potomac River review				30,000	30,000
(9) Rampart Canyon, Alaska				50,000	50,000
(10) Texas coast	509,000	500,000	500,000	500,000	500,000
(11) Texas water and pollution study	550,000	350,000	350,000	350,000	350,000
(12) Water levels at Great Lakes	203,000	200,000	200,000	200,000	200,000
Subtotal, surveys	21,710,000	23,712,000	22,898,000	23,713,000	23,598,000
2. Collection and study of basic data:					
(a) Stream gaging (U.S. Geological Survey)	312,000	312,000	312,000	312,000	312,000
(b) Precipitation studies (U.S. Weather Bureau)	571,000	571,000	571,000	571,000	571,000
(c) Fish and Wildlife Coordination Act studies (U.S. Fish and Wildlife Service)	441,000	441,000	441,000	441,000	441,000
(d) International water studies	104,000	104,000	104,000	104,000	104,000
(e) Flood plain management services	1,800,000	6,000,000	5,000,000	5,000,000	5,000,000
Subtotal collection and study of basic data	3,415,000	7,428,000	6,428,000	6,428,000	6,428,000
3. Research and development:					
(a) Coastal engineering research and development	2,030,000	2,500,000	2,500,000	2,500,000	2,500,000
(b) Hydrologic studies	196,000	210,000	10,000	210,000	210,000
(c) Civil works investigations	2,492,000	3,020,000	3,020,000	3,020,000	3,020,000
(d) Mississippi Basin model:					
(1) Mississippi River comprehensive study	217,000	220,000	220,000	220,000	220,000
(2) Maintenance	170,000	160,000	160,000	160,000	160,000
(e) Nuclear explosives studies for civil construction	2,220,000	2,495,000	2,495,000	2,495,000	2,495,000
Subtotal, research and development	7,325,000	8,605,000	8,605,000	8,605,000	8,605,000
General reduction due to slippage			−4,186,000	−2,500,000	−4,186,000
Total, general investigations	32,450,000	39,745,000	33,745,000	36,246,000	34,445,000
OPERATION AND MAINTENANCE, GENERAL					
1. Navigation:					
(a) Channels and harbors	87,751,000	97,223,000	96,535,000	97,535,000	97,535,000
(b) Locks, dams, and canals	32,055,000	35,199,000	35,199,000	35,199,000	35,199,000
2. Flood control:					
(a) Reservoirs	16,522,000	18,983,000	18,983,000	18,983,000	18,983,000
(b) Channel improvements, inspections, and miscellaneous maintenance	1,397,000	1,730,500	1,730,500	1,730,500	1,730,500
3. Multiple-purpose projects including power	34,160,000	37,291,000	37,291,000	37,291,000	37,291,000
4. Protection of navigation	7,115,000	7,207,500	7,207,500	7,207,500	7,207,500
Reduction for carryover balances			−7,946,000	−7,946,000	−7,946,000
Total, operation and maintenance, general	179,000,000	197,634,000	189,000,000	190,000,000	190,000,000
GENERAL EXPENSES					
1. Executive direction and management:					
(a) Office, Chief of Engineers:					
(1) Executive direction and management	[1] 6,310,200	7,245,000	6,713,200	6,713,200	6,713,200
(2) Special studies	[1] 59,000	72,000	72,000	72,000	72,000
(b) Division offices	[1] 9,343,500	10,181,000	9,833,500	9,833,500	9,833,500
Subtotal, executive direction and management	15,712,700	17,498,000	16,618,700	16,618,700	16,618,700
2. River and Harbor Board	[1] 799,300	850,000	850,000	850,000	850,000
3. U.S. Army Coastal Engineering Research Center	[1] 209,000	216,000	216,000	216,000	216,000
4. Commercial statistics	[1] 1,100,000	1,100,000	1,072,300	1,072,300	1,072,300
5. Special investigations	[1] 193,000	250,000	193,000	193,000	193,000
Total, general expense	[1] 18,014,000	19,914,000	18,950,000	18,950,000	18,950,000

[1] Includes $464,000 in 2nd Supplemental Appropriation Act, approved May 29, 1967, as follows: $160,200 for executive direction and management; $2,000 for special studies; $246,500 for division offices; $22,300 for River and Harbor Board; $4,000 for U.S. Coastal Engineering Research Center; $26,000 for commercial statistics; and $3,000 for special investigations.

CONSTRUCTION, GENERAL

Mr. ELLENDER. Mr. President, for construction, general, the conference agreement provided $968,474,000, of which $875,000 would have been for the Dickey-Lincoln project. On that basis, the conference agreement would have been $52,349,000 below the amount approved by the Senate; $33,400,000 above the House; $4,518,000 below the budget estimate; and $1,014,000 above the 1967 appropriation. Unfortunately, the motion of the House conferees was not agreed to and the funds for the Dickey-Lincoln project were eliminated. At an appropriate time I will move to amend the House amendment to the Senate amendment numbered 2 so as to provide $875,000 for the Dickey-Lincoln School project.

The House sent us a very good bill this year. As I stated earlier when the bill was before the Senate, the House added 16 unbudgeted construction items, which upon review by the Senate committee proved to be desirable projects, and the committee recommended their inclusion in the bill. The Senate concurred in that recommendation.

The House added 11 new planning starts, 10 of which were subsequently approved by the Senate. The Senate added 11 new planning starts, and the House approved seven of these planning items.

The House added 16 new construction starts involving a future commitment of $86,298,000. These projects were accepted by the Senate. The Senate added 25 additional construction starts. The House accepted 13 of the new starts added by the Senate having a future commitment of $52,169,000. The budget provided for nine new starts having a future commitment of $139,756,000; the conferees agreed to five of these having a future commitment of $16,799,000. Thus, the conference bill provides for 34 new construction starts involving a future commitment of $155,266,000, which is about 2 months' work at the current rate of appropriations.

I ask unanimous consent to insert at this point in the RECORD a tabulation showing the details of the amount allowed for this item, assuming that the Senate subsequently approves my motion with respect to the construction general item.

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

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*

	Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
			Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	Alabama:									
(N)	Alabama River channel improvement	$2,300,000	$1,250,000		$1,250,000		$1,250,000		$1,250,000	
(N)	Claiborne lock and dam	24,000,000	7,000,000		7,000,000		7,000,000		7,000,000	
(N)	**Holt lock and dam**	28,100,000	3,033,000		3,033,000		3,033,000		3,033,000	
(R)	John Hollis Bankhead lock and dam (spillway)	4,200,000	2,000,000		2,000,000		2,000,000		2,000,000	
(N)	*John Hollis Bankhead lock and dam*	25,800,000		$200,000		$450,000		$450,000		$450,000
(MP)	Jones Bluff lock and dam	52,600,000	2,900,000		2,900,000		2,900,000		2,900,000	
(MP)	Millers Ferry lock and dam	58,500,000	12,700,000		12,700,000		12,700,000		12,700,000	
(N)	*Perdido Pass*	675,000			300,000		300,000		300,000	
	Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)									
(MP)	**Walter F. George lock and dam, Seaboard Airline RR., relocation, Alabama and Georgia**	84,939,000	495,000		495,000		495,000		495,000	
	West Point Dam, Ala. and Ga. (See Georgia.)									
	Alaska:									
(N)	*Old Harbor (sec. 107)*		[1](170,000)				[1](170,000)		[1](170,000)	
(MP)	Snettisham power project	44,400,000	4,700,000		4,700,000		4,700,000		4,700,000	
	Arizona:									
(FC)	**Alamo Reservoir**	14,500,000	3,260,000		3,260,000		3,260,000		3,260,000	
(FC)	**Pinal Creek**	2,700,000	1,798,000		500,000		500,000		500,000	
(FC)	*Santa Rosa Wash (Tat Momolikot Dam)*	6,510,000		100,000		100,000		100,000		100,000
(FC)	*Winslow*	3,470,000		170,000		170,000		170,000		170,000
	Arkansas:									
(N)	Arkansas River and tributaries, Arkansas and Oklahoma:									
	(*a*) Bank stabilization and channel rectification	133,000,000	5,500,000		5,500,000		5,500,000		5,500,000	
	(*b*) Navigation locks and dams	452,000,000	100,400,000		100,400,000		100,400,000		100,400,000	
(FC)	*Bayou Bartholomew (1950 and 1966 acts), Ark. and La.*	9,730,000		200,000		200,000		200,000		200,000
(MP)	Dardanalle lock and dam	79,000,000	3,500,000		3,500,000		3,500,000		3,500,000	
(MP)	De Gray Reservoir	55,400,000	9,400,000		9,400,000		9,400,000		9,400,000	
(FC)	DeQueen Reservoir	11,500,000	1,000,000		1,000,000		1,000,000		1,000,000	
(FC)	Dierks Reservoir	10,600,000	700,000		700,000		700,000		700,000	
(FC)	Garland City	1,240,000	110,000		110,000		110,000		110,000	
(FC)	Gillham Reservoir	14,800,000	1,400,000		1,400,000		1,400,000		1,400,000	
(FC)	**Maniece Bayou, upstream extension**	1,052,000	470,000		470,000		470,000		470,000	
(MP)	Narrows Dam, addition of 3d power unit	1,660,000	715,000		715,000		715,000		715,000	
(N)	Ouachita and Black Rivers, Ark. and La.	90,600,000	8,700,000		8,700,000		10,000,000		8,700,000	
(MP)	Ozark lock and dam	64,100,000	12,000,000		12,000,000		12,000,000		12,000,000	
(FC)	*Pine Mountain Dam, Lee Creek*	10,000,000		200,000		200,000		200,000		200,000
(FC)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	15,500,000	600,000		600,000		1,000,000		600,000	
(FC)	*Village Creek White River and Mayberry Levee District*	1,045,000					620,000		620,000	
	California:									
(FC)	Alameda Creek, Del Valle Dam	18,890,000	4,300,000		4,300,000		4,300,000		4,300,000	
(FC)	*Buchanan Reservoir (land acquisition)*	16,000,000			750,000		750,000		750,000	
(FC)	Corte Madera Creek	7,790,000	300,000		300,000		300,000		300,000	
(N)	Dana Point Harbor	4,580,000	1,700,000		1,700,000		1,700,000		1,700,000	
(BE)	**Doheny Beach**	588,000	446,000		446,000		446,000		446,000	
(FC)	Dry Creek (Warm Springs) Reservoir	55,600,000	2,315,000		2,315,000		2,315,000		2,315,000	
(FC)	**Eel River (reimbursement)**	3,125,000	1,325,000				1,325,000		950,000	
(FC)	*Eel River (Delta area) 1965 act*	15,500,000		250,000		250,000		250,000		250,000
(FC)	*Hidden Reservoir (land acquisition)*	17,400,000	500,000		400,000		500,000		400,000	
(FC)	*Klamath River*	2,560,000		220,000	530,000	220,000	530,000	220,000	530,000	220,000
(FC)	*Lakeport Reservoir, Scotts Creek*	10,200,000		100,000		100,000		100,000		100,000
(FC)	Los Angeles County drainage area	320,000,000	12,900,000		12,900,000		12,900,000		12,900,000	
(FC)	**Lower San Joaquin River and tributaries**	12,200,000	684,000		684,000		684,000		684,000	
(FC)	*Lytl and Warm Creeks (1965 act)*	11,200,000		350,000		350,000		350,000		350,000
	Martis Creek Reservoir, Calif. and Nev. (See Nevada.)									
(MP)	*Marysville Reservoir*	143,000,000						100,000		100,000
(FC)	Mojave River Reservoir (West Fork)	15,250,000	2,170,000		2,170,000		2,170,000		2,170,000	
(FC)	Mormon Slough	2,420,000	650,000		650,000		650,000		650,000	
(FC)	*Napa River (1965 act)*	16,800,000		300,000		300,000		300,000		300,000
(FC)	New Bullards Bar Reservoir	13,100,000	5,040,000		5,040,000		5,040,000		5,040,000	
(GP)	New Melones Reservoir	133,000,000	2,750,000		2,750,000		2,750,000		2,750,000	
(N)	Oakland Harbor	8,270,000	500,000		500,000		500,000		500,000	
(FC)	Oroville Reservoir	66,425,000	13,700,000		9,275,000		9,275,000		9,275,000	
(FC)	Pine Flat Reservoir (Kings River Channel)	40,500,000			500,000		500,000		500,000	
(N)	*Port San Luis*	7,430,000		115,000		115,000		115,000		115,000
(FC)	Redwood Creek	4,600,000	2,000,000		2,000,000		2,000,000		2,000,000	
(FC)	Russian River Basin (Coyote Valley Dam)	14,752,000	100,000		100,000		100,000		100,000	
(FC)	Sacramento River and major and minor tributaries	11,900,000	420,000		420,000		420,000		420,000	
(FC)	Sacramento River bank protection	21,200,000	1,200,000		1,200,000		1,700,000		1,200,000	
(N)	Sacramento River deep water ship channel	41,340,000	100,000		100,000		100,000		100,000	
(N)	*San Francisco Bay to Stockton*	50,200,000		50,000		50,000		100,000		100,000
(BE)	*Sunset Cliffs, San Diego*	850,000				75,000				
(FC)	*Tahquitz Creek*	4,250,000		200,000		200,000		200,000		200,000
(FC)	Walnut Creek	20,600,000	2,900,000		2,900,000		2,900,000		2,900,000	
	Canada:									
(FC)	*Duncan Lake Reservoir, British Columbia (reimbursement)*	11,100,000	11,100,000		11,100,000		11,100,000		11,100,000	
	Colorado:									
(FC)	Chatfield Reservoir	82,700,000	10,725,000		10,725,000		12,000,000		11,350,000	
(FC)	*Las Animas*	1,770,000		145,000		145,000		145,000		145,000
(FC)	Trinidad Reservoir	21,600,000	1,000,000		1,000,000		1,000,000		1,000,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

	Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
			Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	Connecticut:									
(FC)	Ansonia-Derby	$10,550,000	$1,500,000		$1,500,000		$1,500,000		$1,500,000	
(FC)	Black Rock Reservoir	6,760,000	1,550,000		1,550,000		1,550,000		1,550,000	
(FC)	Colebrook River Reservoir	14,400,000	2,900,000		2,900,000		2,900,000		2,900,000	
(FC)	*Danbury*	2,640,000		$80,000		$80,000		$80,000		$80,000
(FC)	*Derby*	3,360,000		210,000		210,000		210,000		210,000
(FC)	**Hop Brook Reservoir**	5,340,000	825,000		825,000		825,000		825,000	
(FC)	New London Barrier	4,340,000	300,000		300,000		300,000		300,000	
(FC)	**Stamford**	7,170,000	1,510,000		1,510,000		1,510,000		1,510,000	
(FC)	*Stratford*	5,110,000		100,000		100,000		100,000		100,000
(FC)	*Trumbull Pond Reservoir*	5,400,000		100,000		100,000		100,000		100,000
	Delaware:									
	Delaware River, Philadelphia to sea, anchorages, Delaware, New Jersey, and Pennsylvania. (See New Jersey.)									
(N)	Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	97,000,000	10,000,000		10,000,000		12,000,000		11,000,000	
	Florida:									
(N)	Apalachicola River channel improvement	4,617,000	100,000		100,000		300,000		100,000	
(N)	Canaveral Harbor	8,700,000	600,000		600,000		600,000		600,000	
(FC)	Central and southern Florida	269,000,000	12,400,000		12,400,000		14,000,000		12,400,000	
(N)	Cross Florida Barge Canal	145,300,000	11,400,000		11,400,000		11,400,000		11,400,000	
(N)	East Pass Channel at Destin	1,260,000	511,000		511,000		511,000		511,000	
(FC)	Four River Basins	56,300,000	3,000,000		3,000,000		4,000,000		4,000,000	
(N)	*Gulf County Canal (1966 act)*	477,000			100,000		100,000		100,000	
(N)	**Intracoastal Waterway, Caloosahatchee River to Anclote River**	8,188,000	550,000		550,000		550,000		550,000	
(N)	*Jacksonville Harbor (1965 act)*	8,800,000		50,000		50,000	500,000	50,000	500,000	50,000
(N)	**Key West Harbor**	820,000	336,000		336,000		336,000		336,000	
(BE)	Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	535,000	10,000		10,000		10,000		10,000	
(N)	**Palm Beach Harbor**	5,690,000	1,377,000		1,377,000		1,377,000		1,377,000	
(BE)	*Pinellas County, Treasure Island (1966 act)*	270,000			258,000		258,000		258,000	
(N)	*Ponce de Leon Inlet*	1,200,000		50,000	450,000	50,000	450,000	50,000	450,000	50,000
(BE)	Virginia Key and Key Biscayne	1,010,000	223,000		223,000		223,000		223,000	
	Georgia:									
(MP)	Carters Dam	67,600,000	8,500,000		8,500,000		9,500,000		8,500,000	
(MP)	*Lazer Creek Dam*	44,500,000		200,000		200,000		200,000		200,000
(N)	Savannah Harbor, 40 feet (1965 act)	8,660,000	1,780,000		1,780,000		1,780,000		1,780,000	
(N)	*Savannah Harbor (sediment basin)*	7,040,000					450,000		450,000	
(MP)	*Spewrell Bluff Dam*	70,000,000		245,000		245,000		245,000		245,000
(MP)	*Trotters Shoals Reservoir, Ga. and S.C.*	88,800,000		300,000		300,000		300,000		300,000
	Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)									
(MP)	West Point Reservoir, Ala. and Ga.	64,200,000	8,100,000		8,100,000		8,100,000		8,100,000	
	Hawaii:									
(N)	*Barbers Point Harbor*	8,471,000		168,000		168,000		168,000		168,000
(N)	*Heeia-Kea Harbor*	409,000						34,000		
(N)	*Honokahau Harbor*	765,000					200,000		200,000	
(FC)	*Kuliouou Stream (sec. 205)*		[2] (860,000)		[2] (860,000)		[2] (860,000)		[2] (860,000)	
(N)	*Lahaina Harbor*	429,000		34,000		34,000		34,000		34,000
(N)	*Reeds Bay Harbor*	248,000						35,000		
	Idaho:									
	Asotin Dam, Idaho and Wash. (See Washington.)									
(FC)	*Cottonwood Creek Reservoir*	960,000		40,000		40,000		40,000		40,000
(MP)	Dworshak (Bruces Eddy) Reservoir	243,000,000	41,400,000		41,400,000		41,400,000		41,400,000	
(FC)	Heise-Roberts extension	3,000,000	2,100,000		2,100,000		2,100,000		2,100,000	
(FC)	Portneuf River and Marsh Creek	6,800,000	2,670,000		2,670,000		2,670,000		2,670,000	
(FC)	Ririe Reservoir	13,100,000	1,100,000		1,100,000		1,100,000		1,100,000	
(FC)	*Stuart Gulch Reservoir (1966 act)*	784,000						60,000		60,000
	Illinois:									
(FC)	*Campbell's Island*	1,300,000		32,000		32,000		32,000		32,000
(FC)	**England Pond levee**	890,000	692,000		692,000		692,000		692,000	
(BE)	*Evanston (reimbursement)*	393,000	220,000		220,000		220,000		220,000	
(FC)	Freeport	4,270,000	250,000		250,000		250,000		250,000	
(FC)	**Henderson County Drainage District No. 1**	1,580,000	250,000		250,000		250,000		250,000	
(N)	Horse Island and Crescent Bridge (Mississippi River), Illinois and Iowa	2,470,000	300,000		300,000		300,000		300,000	
(FC)	Hunt Drainage District and Lima Lake Drainage District	3,420,000	80,000		80,000		80,000		80,000	
(N)	Illinois Waterway, Calumet-Sag modification, part I, Illinois and Indiana	85,000,000	5,400,000		5,400,000		5,400,000		5,400,000	
(N)	*Illinois Waterway, Calumet-Sag modification, part II, Illinois and Indiana*	35,800,000						25,000		
(N)	*Illinois Waterway duplicate locks*	167,000,000		400,000		400,000		400,000		400,000
(FC)	Indian Grave Drainage District	4,210,000	1,000,000		1,000,000		1,000,000		1,000,000	
(N)	Kaskaskia River (navigation)	68,000,000	5,000,000		5,000,000		6,000,000		5,000,000	
(FC)	*Levee district 21 (Vandalia), Kaskaskia River*	5,370,000		150,000		150,000		150,000		150,000
(FC)	*Levee district 23 (Dively), Kaskaskia River*	615,000				50,000		50,000		50,000
(FC)	*Lincoln Reservoir*	32,200,000		150,000		150,000		150,000		150,000
	Lock and dam 52, Illinois and Kentucky. (See Kentucky.)									
(N)	Mississippi River between Ohio and Missouri Rivers, Ill. and Mo.:									
	(a) Chain of Rocks	49,000,000	300,000		300,000		300,000		300,000	
	(b) Regulating works	70,800,000	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	*Mount City lock and dam, Illinois and Kentucky*	112,000,000		210,000		210,000		210,000		210,000
(FC)	**Mount Carmel**	2,020,000	1,147,000		1,147,000		1,147,000		1,147,000	
(FC)	**New Athens**	2,400,000	521,000		521,000		521,000		521,000	
(FC)	*Oakley Reservoir* (land acquisition)	62,400,000			450,000		500,000		450,000	
(FC)	*Peoria*	15,000,000		125,000		125,000		125,000		125,000
(FC)	**Prairie DuPont levee and sanitary district**	1,030,000	821,000		821,000		821,000		821,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

	Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
			Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	Illinois—Continued									
(FC)	Rend Lake Reservoir	$36,300,000	$5,900,000		$5,900,000		$5,900,000		$5,900,000	
(FC)	Richland Creek	6,040,000	100,000		100,000		100,000		100,000	
(FC)	**Rochester and McCearys Bluff levee**	1,320,000	877,000		877,000		877,000		877,000	
(FC)	*Rockford*	7,770,000		$50,000		$50,000		$50,000		$50,000
(FC)	*Rock Island*	4,000,000		100,000		100,000		100,000		100,000
(FC)	Saline River and tributaries	9,180,000	700,000		700,000		700,000		700,000	
(FC)	Shelbyville Reservoir	31,400,000	8,850,000		8,850,000		8,850,000		8,850,000	
(N)	*Smithland (Dog Island) lock and dam, Illinois and Kentucky*	96,900,000		250,000		250,000		250,000		250,000
(FC)	**Sny Island levee and drainage district**	5,400,000	1,689,000		1,689,000		1,689,000		1,689,000	
(FC)	**South Quincy drainage and levee district**	1,150,000	235,000		235,000		235,000		235,000	
(FC)	*Wood River drainage and levee district*	228,000				20,000		20,000		20,000
	Indiana:									
(FC)	*Big Pine Reservoir*	17,000,000		200,000		200,000		200,000		200,000
(FC)	Brookville Reservoir	25,300,000	3,480,000		3,480,000		3,480,000		3,480,000	
(N)	Cannelton locks and dam, Indiana and Kentucky	82,700,000	10,600,000		10,600,000		10,600,000		10,600,000	
(FC)	*Clifty Creek Reservoir*	14,500,000		150,000		150,000		150,000		150,000
(FC)	*Greenfield Bayou levee*	2,060,000					80,000			
(FC)	Huntington Reservoir	19,600,000	3,650,000		3,650,000		3,650,000		3,650,000	
	Illinois Waterway, Calumet-Sag modification, part I, and part II, Illinois and Indiana. (See Illinois.)									
(FC)	*Island levee*	1,470,000					50,000		50,000	
(FC)	*Lafayette Reservoir*	30,200,000		185,000		815,000		185,000		185,000
(FC)	Levee unit 5, Wabash River	4,970,000	710,000		710,000		710,000		710,000	
(R)	Michigan City Harbor	1,120,000	280,000		280,000		280,000		280,000	
(N)	Newburgh locks and dam, Indiana and Kentucky	75,400,000	12,000,000		12,000,000		12,000,000		12,000,000	
(FC)	*Patoka Reservoir (land acquisition)*	17,000,000	500,000		442,000		500,000		442,000	
(N)	Uniontown locks and dam, Indiana and Kentucky	61,500,000	12,500,000		12,500,000		12,500,000		12,500,000	
	Iowa:									
(FC)	*Ames Reservoir*	12,800,000		150,000		150,000		150,000		150,000
(N)	*Bellevue small boat harbor*	87,000					87,000			
(N)	*Clinton small boat harbor*	42,000					42,000			
(FC)	Des Moines	3,500,000	1,300,000		1,300,000		1,300,000		1,300,000	
(FC)	Dubuque	10,800,000	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	*Fort Madison Harbor*	1,080,000				75,000		75,000		75,000
(FC)	Guttenberg	2,060,000	200,000		200,000		200,000		200,000	
	Horse Island and Crescent Bridge, Mississippi River, Ill. and Iowa. (See Illinois.)									
(FC)	*Ida Grove (sec. 205)*						[2] (404,000)		[2] (404,000)	
(FC)	*Marshalltown*	2,860,000			200,000		200,000		200,000	
(FC)	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska	101,700,000	2,900,000		2,900,000		2,900,000		2,900,000	
(N)	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	376,600,000	4,000,000		4,000,000		5,600,000		5,000,000	
(FC)	Muscatine Island levee district and Muscatine-Louisa County Drainage District No. 13	3,140,000	400,000		400,000		400,000		400,000	
(FC)	Rathbun Reservoir	24,000,000	5,430,000		5,430,000		5,430,000		5,430,000	
(FC)	Red Rock Reservoir	82,200,000	8,600,000		8,600,000		8,600,000		8,600,000	
(FC)	Saylorville Reservoir	41,500,000	5,900,000		5,900,000		5,900,000		5,900,000	
(FC)	*Waterloo*	16,000,000		200,000		200,000		200,000		200,000
	Kansas:									
	Arkansas—Red River chloride control, Texas, Oklahoma, and Kansas (see Texas).									
(FC)	Atchison	4,370,000	1,000,000		1,000,000		1,000,000		1,000,000	
(FC)	*Cow Creek, Hutchinson*	1,800,000					150,000		150,000	
(FC)	*El Dorado Reservoir*	25,600,000		200,000		200,000		200,000		200,000
(FC)	*Fort Scott Reservoir*	19,300,000		155,000		155,000		155,000		155,000
(FC)	*Great Bend*	4,530,000						75,000		75,000
(FC)	*Grove Reservoir*	15,500,000		275,000		275,000		275,000		275,000
(FC)	*Hays*	2,960,000		120,000		120,000		120,000		120,000
(FC)	*Hillsdale Reservoir*	18,700,000				75,000		75,000		75,000
(FC)	Lawrence	5,340,000	500,000		500,000		500,000		500,000	
(FC)	**Marion Reservoir**	13,233,000	778,000		778,000		778,000		778,000	
(FC)	Melvern Reservoir	25,800,000	2,200,000		2,200,000		2,200,000		2,200,000	
	Missouri River Levee System, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
(FC)	Osawatomie	1,520,000	500,000		500,000		500,000		500,000	
(FC)	Perry Reservoir	47,200,000	6,000,000		6,000,000		6,000,000		6,000,000	
(FC)	Topeka	20,200,000	900,000		900,000		900,000		900,000	
	Kentucky:									
	Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)									
(FC)	Carr Fork Reservoir	22,600,000	5,800,000		5,800,000		5,800,000		5,800,000	
(FC)	Cave Run Reservoir	28,900,000	4,600,000		4,600,000		4,600,000		4,600,000	
(FC)	**Fishtrap Reservoir**	55,700,000	8,520,000		8,520,000		8,520,000		8,520,000	
(FC)	Frankfort, North Frankfort area	2,060,000	920,000		920,000		920,000		920,000	
(FC)	Green River Reservoir	30,400,000	6,630,000		6,630,000		6,630,000		6,630,000	
(FC)	*Kehoe Reservoir*	15,600,000		100,000		100,000		100,000		100,000
(R)	*Kentucky Peninsula*	665,000	100,000		100,000		100,000		100,000	
(MP)	Laurel River Reservoir	24,500,000	1,300,000		1,300,000		1,300,000		1,300,000	
(N)	*Lock and Dam No. 52, Illinois and Kentucky*	8,250,000				300,000	1,800,000	300,000	1,800,000	300,000
(FC)	*Martin*	3,590,000		65,000		65,000		65,000		65,000
(FC)	*Martins Fork Reservoir*	4,780,000		230,000		230,000		230,000		230,000
	Mound City lock and dam, Illinois and Kentucky. (See Illinois.)									
	Newburgh locks and dam, Indiana and Kentucky. (See Indiana.)									
(FC)	Paintsville Reservoir	17,900,000		200,000		200,000		200,000		200,000
(FC)	*Panther Creek (sec. 205)*		[2] (440,000)		[2] (400,000)		[2] (440,000)		[2] (440,000)	
(FC)	Red River Reservoir	11,100,000	330,000		330,000		330,000		330,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

	Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
			Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	Kentucky—Continued									
	Smithland lock and dam, Illinois and Kentucky. (See Illinois.)									
(FC)	Sturgis	$2,000,000	$700,000		$700,000		$700,000		$700,000	
(FC)	*Taylorsville Reservoir*	23,100,000				$100,000		$100,000		$100,000
	Uniontown locks and dam, Indiana and Kentucky. (See Indiana.)									
(FC)	*Yatesville Reservoir*	18,500,000		$200,000		200,000		200,000		200,000
	Louisiana:									
	Bayou Bartholomew, Ark. and La. (See Arkansas.)									
(FC)	*Bayou Bodcau and tributaries*	1,840,000		20,000		20,000		150,000		150,000
(FC)	Caddo Dam	2,140,000	770,000		770,000		770,000		770,000	
(N)	**Calcasieu River and Pass**	19,500,000	1,457,000		1,457,000		1,457,000		1,457,000	
(N)	**Calcasieu River, saltwater barrier**	4,110,000	262,000		262,000		262,000		262,000	
(N)	Freshwater Bayou	9,370,000	2,750,000		2,750,000		2,750,000		2,750,000	
(FC)	*Grand Isle and vicinity*	7,010,000		150,000		150,000		150,000		150,000
(FC)	Lake Pontchartrain	71,671,000	3,260,000		3,260,000		4,500,000		4,500,000	
(N)	*Mermentau River*	3,124,000		75,000		75,000	500,000	75,000		125,000
(N)	Mississippi River, Gulf Outlet	98,200,000	2,000,000		2,000,000		2,000,000		2,000,000	
(FC)	*Monroe Floodwall (1965 and 1966 Acts)*	1,160,000				40,000		40,000		40,000
(FC)	*Morgan City and vicinity*	3,585,000		70,000		70,000		100,000		100,000
(FC)	New Orleans to Venice hurricane protection	9,050,000	500,000		500,000		500,000		500,000	
	Ouachita and Black Rivers, Ark. and La. (See Arkansas.)									
(N)	*Overton-Red River Waterway*	135,000,000					1,700,000		1,700,000	
	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex. (See Arkansas.)									
	Maine:									
(N)	*Bunker Harbor (sec. 107 project)*		[1](85,000)		[1](85,000)		[1](85,000)		[1](85,000)	
(MP)	*Dickey-Lincoln School Dam and Reservoirs*	212,100,000		1,676,000				1,676,000		875,000
	Maryland:									
(N)	Baltimore Harbor and Channels	22,900,000	200,000		200,000		1,200,000		200,000	
(FC)	*Bloomington Reservoir, Md. and W. Va. (land acquisition)*	73,500,000			2,000,000		2,000,000		2,000,000	
	Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (C. & D. Canal), pt. II. (See Delaware.)									
	Massachusetts:									
(R)	**Newburyport Harbor**	575,000	259,000		259,000		259,000		259,000	
(N)	**Plymouth Harbor**	1,860,000	1,040,000		1,040,000		1,040,000		1,040,000	
(R)	Plymouth Harbor (dike)	550,000	146,000		146,000		146,000		146,000	
(N)	*Provincetown Harbor*	2,580,000			400,000		400,000		400,000	
(N)	*Weymouth Fore and Town Rivers*	12,500,000			800,000		800,000		800,000	
(FC)	*Whitmanville Reservoir*	4,250,000		60,000		60,000		60,000		60,000
	Michigan:									
(R)	Grand Marais Harbor	960,000	220,000		220,000		220,000		220,000	
(N)	Great Lakes connecting channels	127,500,000	600,000		600,000		600,000		600,000	
(FC)	*Kalamazoo River*	8,400,000		100,000		100,000		100,000		100,000
(FC)	*Lansing*	14,900,000		50,000		50,000		50,000		50,000
(N)	**Leland Harbor**	567,000	140,000		140,000		140,000		140,000	
(N)	**Poe lock, St. Marys River**	34,200,000	1,845,000		1,845,000		1,845,000		1,845,000	
(N)	*Point Lookout Harbor, Au Gres River*	1,550,000			125,000		125,000		125,000	
(FC)	River Rouge	14,000,000	1,900,000		1,900,000		1,900,000		1,900,000	
(FC)	Saginaw River (flood control)	20,000,000	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	Saginaw River (navigation)	6,420,000	1,800,000		1,800,000		1,800,000		1,800,000	
(R)	*Saint Joseph Harbor*	685,000	200,000		200,000		200,000		200,000	
(R)	*South Haven Harbor*	800,000	300,000		300,000		300,000		300,000	
	Minnesota:									
(FC)	*Big Stone Lake-Whetstone River (land acquisition)*	4,790,000			375,000		475,000		375,000	
(FC)	*Mankato-North Mankato*	5,200,000			200,000		200,000		200,000	
(N)	**Minnesota River**	2,460,000	1,159,000		1,159,000		1,159,000		1,159,000	
(FC)	*Roseau River*	2,880,000		130,000		130,000		130,000		130,000
(FC)	Rushford	2,550,000	1,000,000		1,000,000		1,000,000		1,000,000	
(FC)	**St. Paul and South St. Paul**	8,580,000	1,754,000		1,754,000		1,754,000		1,754,000	
(FC)	*Zumbro River*	1,220,000				90,000		90,000		90,000
	Mississippi:									
(N)	*Biloxi Harbor*	753,000			180,000		180,000		180,000	
(FC)	**Okatibbee Creek Reservoir**	9,000,000	3,240,000		3,240,000		3,240,000		3,240,000	
(FC)	Tombigbee River and tributaries, Alabama and Mississippi	23,700,000	525,000		525,000		525,000		525,000	
	Missouri:									
(FC)	Chariton River	8,400,000	1,400,000		1,400,000		1,400,000		1,400,000	
(FC)	*Chariton-Little Chariton Rivers (including Shoal Creek)*	4,450,000		100,000		100,000		100,000		100,000
(MP)	Clarence Cannon (Joanna) Reservoir	70,600,000	3,000,000		3,000,000		3,000,000		3,000,000	
(FC)	**Des Moines and Mississippi Levee District**	1,640,000	577,000		577,000		577,000		577,000	
(FC)	*Gregory Drainage District*	1,750,000					200,000		200,000	
(MP)	Kaysinger Bluff Reservoir	196,000,000	8,800,000		8,800,000		11,000,000		10,000,000	
(FC)	*Long Branch Reservoir*	6,650,000		100,000		100,000		100,000		100,000
(FC)	*Meramec Park Reservoir (land acquisition)*	42,800,000	500,000		450,000		500,000		450,000	
	Mississippi River between Ohio and Missouri Rivers, Ill. and Mo. (See Illinois.)									
	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
(FC)	*Pattonsburg Reservoir (Highway 135 crossing)*	6,943,000	834,000		834,000		834,000		834,000	
(FC)	*Platte River*	5,670,000				50,000		50,000		50,000
(FC)	St. Louis	78,600,000	6,000,000		6,000,000		6,000,000		6,000,000	
(FC)	Smithville Reservoir	23,600,000		200,000		200,000		200,000		200,000
(MP)	Stockton Reservoir	66,100,000	10,700,000		10,700,000		11,700,000		10,700,000	
(FC)	*Union Reservoir*	28,400,000		100,000		100,000		100,000		100,000

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
Montana:									
(FC) Great Falls	$4,280,000	$350,000		$850,000		$850,000		$850,000	
(MP) Libby Reservoir	352,000,000	44,300,000		44,300,000		44,300,000		44,300,000	
Nebraska:									
(FC) **Gering Valley**	5,880,000	591,000		591,000		591,000		591,000	
(FC) *Little Nemaha River*	1,650,000		$95,000		$95,000		$95,000		$95,000
(FC **Little Papillion Creek**	2,910,000	786,000		786,000		786,000		786,000	
Missouri River levee system, Iowa, Kansas Missouri and Nebraska (See Iowa.)									
Missouri River, Sioux City to mouth Iowa, Kansas. Missouri and Nebraska. (See Iowa.)									
(FC) Norfolk	3,940,000	1,200,000		1,200,000		1,200,000		1,200,000	
(FC) **Salt Creek and tributaries**	11,700,000	993,000		993,000		993,000		993,000	
Nevada:									
(FC) Martis Creek Reservoir, Calif. and Nev	4,910,000	700,000		700,000		700,000		700,000	
New Jersey:									
(BE) Atlantic City (reimbursement)	4,010,000	305,000		305,000		305,000		305,000	
(N) Delaware River, Philadelphia to sea (anchorages), Delaware, New Jersey, and Pennsylvania	29,000,000	200,000		200,000		200,000		200,000	
(FC) *Elizabeth River*	10,800,000		$280,000		280,000		280,000		280,000
(N) *Newark Bay, Hackensack and Passaic Rivers (1966 act)*	15,500,000					1,000,000		1,000,000	
New York and New Jersey Channels, Kill Van Kull entrance, New York and New Jersey. (See New York.)									
(FC) Raritan and Sandy Hook Bays	6,270,000	700,000		700,000		700,000		700,000	
(N) *Shrewsbury River Inlet*	4,430,000		100,000		100,000		100,000		100,000
(FC) *South Orange, Rahway River*	1,790,000		60,000		60,000		60,000		60,000
(MP) *Tocks Island Reservoir, Pa., N.J., and N.Y. (land acquisition)*	198,000,000	4,000,000		4,000,000		4,000,000		4,000,000	
New Mexico:									
(FC) Albuquerque	16,000,000	4,200,000		4,200,000		4,200,000		4,200,000	
(FC) Cochiti Reservoir	50,000,000	3,700,000		3,700,000		3,700,000		3,700,000	
(FC) Galisteo Reservoir	16,000,000	2,500,000		2,500,000		2,500,000		2,500,000	
(FC) *Las Cruces*	3,800,000	400,000		400,000		400,000		400,000	
(FC) *Los Esteros Reservoir*	12,000,000				100,000		100,000		100,000
New York:									
(FC) *East Rockaway Inlet to Rockaway Inlet and Jamaica Bay*	35,000,000		200,000		200,000		200,000		200,000
(BE) *Fire Island Inlet to Jones Inlet (1962 act)*	10,700,000		165,000		165,000	300,000	165,000		165,000
(FC) Fire Island Inlet to Montauk Point	32,160,000			2,000,000		2,000,000		2,000,000	
(N) Great Lakes to Hudson River Waterway	34,850,000	1,950,000		1,950,000		1,950,000		1,950,000	
(BE) *Hamlin Beach State Park*	1,280,000				30,000		30,000		30,000
(FC) Ithaca, Cayuga Inlet	3,160,000	950,000		950,000		950,000		950,000	
Kinzua Dam and Allegheny Reservoir, Pa. and N.Y. (See Pennsylvania.)									
(N) **Lake Montauk Harbor**	700,000	500,000		500,000		500,000		500,000	
(N) Little Neck Bay	2,120,000	550,000		550,000		550,000		550,000	
(N) *Moriches Inlet, Long Island*	3,850,000		150,000		150,000		150,000		150,000
(N) *New York Harbor (anchorages)*	45,700,000			1,000,000		1,000,000		1,000,000	
(N) **New York-New Jersey Channels, Kill Van Kull entrance, New York and New Jersey**	2,600,000	1,000,000		1,000,000		1,000,000		1,000,000	
(FC) Nichols	1,320,000	305,000		305,000		305,000		305,000	
(FC) North Ellenville	2,110,000	580,000		580,000		580,000		580,000	
(N) *Oak Orchard Harbor*	1,120,000		75,000		75,000		75,000		75,000
(FC) *Red Creek*	1,530,000		50,000		50,000		50,000		50,000
(FC) Rosendale	2,750,000	500,000		500,000		500,000		500,000	
(FC) Salamanca	1,700,000	655,000		655,000		655,000		655,000	
(FC) **South Ellenville**	1,330,000	1,240,000		1,000,000		1,000,000		1,000,000	
(FC) *Staten Island, Fort Wadsworth to Arthur Kill*	7,640,000		200,000		200,000		200,000		200,00
Tocks Island Reservoir, Pa., N.J., and N.Y. (See New Jersey.)									
(FC) **Wellsville**	1,740,000	472,000		472,000		472,000		472,000	
North Carolina:									
(N) *Cape Fear River above Wilmington*	1,600,000					500,000		500,000	
(BE) *Cape Lookout*	6,000,000		50,000				150,000		
(FC) Carolina Beach and vicinity	1,637,000	800,000		800,000		800,000		800,000	
(FC) *Falls Reservoir*	20,000,000		215,000		215,000		215,000		215,000
(FC) New Hope Reservoir	30,600,000	3,120,000		3,120,000		4,000,000		3,560,000	
(N) *Ocracoke Inlet*	288,000					279,000			
(N) **Wilmington Harbor, 38- and 40-foot depth (1962 act)**	6,000,000	2,795,000		2,795,000		2,795,000		2,795,000	
North Dakota:									
(R) *Garrison Dam (Lake Sakakawea) (embankment repair)*	7,500,000	900,000		900,000		900,000		900,000	
(FC) **Missouri River, Garrison Dam to Oahe Reservoir**	3,000,000	502,000		502,000		502,000		502,000	
Oahe Reservoir, S. Dak. and N. Dak. (See South Dakota.)									
(FC) *Pipestem Reservoir (land acquisition)*	3,300,000					300,000		250,000	
Ohio:									
(FC) *Alum Creek Reservoir (land acquisition)*	29,100,000			1,400,000		1,400,000		1,400,000	
(N) **Ashtabula Harbor (1965 modification)**	1,970,000	1,770,000		1,770,000		1,770,000		1,770,000	
(FC) *Athens*	4,860,000			200,000		200,000		200,000	
(N) **Belleville locks and dam, Ohio and West Virginia**	62,600,000	8,218,000		8,218,000		8,218,000		8,218,000	
(FC) Big Darby Creek Reservoir	32,800,000	1,400,000							
(FC) Caesar Creek Reservoir	23,300,000	1,200,000		1,200,000		1,200,000		1,200,000	
(FC) Clarence J. Brown Dam and Reservoir (Buck Creek Reservoir)	13,100,000	4,500,000		4,500,000		4,500,000		4,500,000	
(N) Cleveland Harbor: Bridge replacement, widening Cuyahoga and Old Rivers (1958 act)	12,900,000	1,500,000		1,500,000		1,500,000		1,500,000	
(N) **Conneaut Harbor (1962 modification)**	4,500,000	900,000		900,000		900,000		900,000	
(FC) **Deer Creek Reservoir**	21,400,000	7,523,000		7,523,000		7,523,000		7,523,000	
(FC) East Fork Reservoir	26,500,000	1,420,000		1,420,000		1,420,000		1,420,000	
(FC) *Eastlake, Chagrin River*	2,430,000		125,000		125,000		125,000		125,000
(FC) Fremont	5,200,000	650,000		650,000		650,000		650,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
Ohio—Continued									
(N) Hannibal locks and dam, Ohio and West Virginia	$71,400,000	$8,070,000		$8,070,000		$8,070,000		$8,070,000	
(N) *Lake Erie-Ohio River Canal, Ohio and Pensylvannia*	968,000,000		$2,000,000		$750,000		$750,000		$750,000
(N) Lorain Harbor	17,100,000	200,000		200,000		200,000		200,000	
(FC) *Mill Creek Reservoir, Scioto River Basin*	21,800,000		425,000		425,000		455,000		455,000
(FC) North Branch Kokosing River Reservoir	5,730,000	750,000		750,000		750,000		750,000	
(FC) Paint Creek Reservoir	22,400,000	2,700,000		2,700,000		2,700,000		2,700,000	
(N) Racine locks and dam, Ohio and West Virginia	70,900,000	9,500,000		9,500,000		9,500,000		9,500,000	
(N) *Vermilion Harbor*	709,000		75,000		75,000		75,000		75,000
(N) Willow Island lock and dam, Ohio and West Virginia	73,400,000	4,500,000		4,500,000		4,500,000		4,500,000	
(FC) Youngstown, Crab Creek	2,420,000	850,000		850,000		850,000		850,000	
Oklahoma:									
Arkansas Red River chloride control, Texas, Oklahoma, and Kansas. (See Texas.)									
Arkansas River and tributaries, Arkansas and Oklahoma. (See Arkansas.)									
(FC) *Birch Reservoir*	5,930,000					500,000			
(MP) Broken Bow Reservoir	39,600,000	5,200,000		5,200,000		5,200,000		5,200,000	
(FC) *Candy Reservoir*	5,500,000						40,000		40,000
(FC) *Crutcho Creek*	1,870,000		50,000		50,000		50,000		50,000
(FC) Hugo Reservoir	30,700,000	1,500,000		1,500,000		1,500,000		1,500,000	
(FC) Kaw Reservoir	86,600,000	4,700,000		4,700,000		4,700,000		4,700,000	
(MP) **Keystone Reservoir**	123,000,000	4,579,000		4,579,000		4,579,000		4,579,000	
(FC) Lukfata Reservoir	13,400,000		120,000		120,000		120,000		120,000
(FC) Oologah Reservoir	7,400,000	1,350,000		1,350,000		1,350,000		1,350,000	
(FC) Optima Reservoir	24,900,000	2,000,000		2,000,000		2,000,000		2,000,000	
(FC) Pine Creek Reservoir	20,500,000	5,600,000		5,600,000		5,600,000		5,600,000	
(MP) Robert S. Kerr (Short Mountain) lock and dam	92,500,000	13,000,000		13,000,000		13,000,000		13,000,000	
(FC) *Shidler Reservoir*	6,600,000		100,000		100,000		100,000		100,000
(FC) Waurika Reservoir	27,300,000		190,000		190,000		190,000		190,000
(MP) Webbers Falls lock and dam	77,200,000	14,700,000		14,700,000		14,700,000		14,700,000	
Oregon:									
(FC) *Applegate Reservoir*	25,800,000		206,000		206,000		206,000		206,000
(FC) Blue River Reservoir	31,400,000	6,000,000		6,000,000		6,000,000		6,000,000	
(MP) *Bonneville lock and dam (2d power unit) Oregon and Washington*	124,000,000		400,000		400,000		400,000		400,000
(FC) *Cascadia Reservoir*	39,600,000		400,000		400,000		400,000		400,000
(N) *Chetco River*	1,350,000			100,000		100,000		100,000	
(N) Columbia River and lower Willamette River, 35- and 40-foot projects, Oregon and Washington	22,600,000	2,700,000		2,700,000		4,000,000		3,000,000	
(N) *Columbia River at the mouth, Oregon and Washington*	12,200,000		65,000		65,000		65,000		65,000
(FC) *Elk Creek Reservoir*	21,000,000		220,000		220,000		220,000		220,000
(FC) *Gate Creek Reservoir*	22,300,000		350,000		350,000		350,000		350,000
(MP) Green Peter Reservoir	82,300,000	4,940,000		4,940,000		4,940,000		4,940,000	
(MP) John Day lock and dam, Oregon and Washington	448,000,000	38,700,000		38,700,000		38,700,000		38,700,000	
(MP) Lost Creek Reservoir	83,300,000	2,050,000		2,050,000		2,050,000		2,050,000	
(N) Port Orford	1,100,000	232,000		232,000		232,000		232,000	
(N) *Siuslaw River and Bar*	2,435,000					500,000		500,000	
(MP) The Dalles lock and dam, Oregon and Washington (additional power units)	64,000,000	786,000		786,000		786,000		786,000	
(N) *Tillamook Bay (south jetty)*	9,360,000			500,000		500,000		500,000	
(FC) Willamette River Basin bank protection	13,100,000	375,000		375,000		500,000		375,000	
(N) Yaquina Bay and Harbor	14,000,000	2,500,000		2,500,000		2,500,000		2,500,000	
Pennsylvania:									
(FC) Aylesworth Creek Reservoir	1,920,000	993,000		993,000		993,000		993,000	
(FC) Beltzville Reservoir	21,700,000	5,320,000		5,320,000		5,320,000		5,320,000	
(FC) *Blue Marsh Reservoir*	15,600,000		275,000		275,000		275,000		275,000
(FC) *Chartiers Creek*	14,400,000	500,000		500,000		500,000		500,000	
(FC) *Cowanesque Reservoir*	30,900,000		400,000		400,000		400,000		400,000
Delaware River, Philadelphia to sea, anchorages, Delaware, New Jersey, and Pennsylvania. (See New Jersey.)									
(FC) *Dubois*	1,870,000		65,000		65,000		65,000		65,000
(FC) Foster Joseph Sayers Dam (Blanchard Reservoir)	28,900,000	9,000,000		9,000,000		9,000,000		9,000,000	
(FC) **Kinzua Dam and Allegheny Reservoir, Pa. and N.Y.**	106,600,000	6,989,000		6,489,000		6,489,000		6,489,000	
Lake Erie-Ohio River Canal, Ohio and Pennsylvania. (See Ohio.)									
(FC) Raystown Reservoir	53,500,000	2,700,000		2,700,000		2,700,000		2,700,000	
(FC) **Scranton**	2,000,000	1,086,000		1,086,000		1,086,000		1,086,000	
(FC) *Tioga-Hammond Reservoir (land acquisition)*	53,600,000			1,000,000		1,000,000		1,000,000	
Tocks Island Reservoir, Pa., N.J., and N.Y. (See New Jersey.)									
(FC) *Trexler Reservoir*	12,000,000		175,000		175,000		175,000		175,000
(FC) **Turtle Creek**	15,200,000	713,000		713,000		713,000		713,000	
(FC) Union City Reservoir	11,000,000	1,450,000		1,450,000		1,450,000		1,450,000	
(FC) Woodcock Creek Reservoir	10,200,000	500,000		500,000		500,000		500,000	
Rhode Island:									
(BE) *Cliff Walk, Newport*	414,000						80,000		80,000
(N) Providence River and Harbor	13,900,000	3,500,000		3,500,000		3,500,000		3,500,000	
South Carolina:									
Trotters Shoals Reservoir, Ga. and S.C. (See Georgia.)									
South Dakota:									
(MP) Big Bend Dam-Lake Sharpe	103,000,000	1,800,000		1,800,000		1,800,000		1,800,000	
(FC) Cottonwood Springs Reservoir	1,740,000	500,000		500,000		500,000		500,000	
(MP) Oahe Reservoir, S. Dak. and N. Dak	338,000,000	1,100,000		1,100,000		1,100,000		1,100,000	
Tennessee:									
(MP) Cordell Hull lock and dam	58,500,000	7,600,000		7,600,000		7,600,000		7,600,000	
(MP) J. Percy Priest Reservoir	49,900,000	5,500,000		5,500,000		5,500,000		5,500,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
Texas:									
(FC) *Abilene Channel improvement*	$34,600,000		$180,000		$180,000		$180,000		$180,000
(FC) *Arkansas-Red River chloride control (part I), Texas, Oklahoma, and Kansas*	50,000,000						150,000		150,000
(FC) *Arkansas-Red River chloride control (supplemental studies), Texas, Oklahoma, and Kansas*	2,500,000		1,000,000		1,000,000		1,000,000		1,000,000
(FC) Buffalo Bayou and tributaries	66,100,000	$3,700,000		$3,700,000		$3,700,000		$3,700,000	
(N) *Chocolate Bayou*	1,350,000			500,000		500,000		*500,000*	
(FC) Cooper Reservoir and channels	24,100,000					500,000			
(FC) *El Paso*	14,400,000		250,000		250,000		250,000		250,000
(FC) Fort Worth Floodway, Clear Fork extension	3,960,000	900,000		900,000		900,000		900,000	
(FC) Freeport and vicinity	11,700,000	1,500,000		1,500,000		1,500,000		1,500,000	
(R) *Galveston Harbor and Channel (groins)*	1,750,000	500,000		500,000		500,000		500,000	
(FC) *Highland Bayou*	3,850,000		110,000		110,000		110,000		110,000
(FC) Lake Kemp Reservoir	6,100,000	900,000		900,000		900,000		900,000	
(FC) *Lakeview Reservoir*	36,100,000		100,000		100,000		100,000		100,000
(FC) Lavon Reservoir modification and channel improvement	40,300,000	3,500,000		3,500,000		3,500,000		3,500,000	
(FC) *Liberty, Trinity River*	2,000,000		50,000		50,000		50,000		50,000
(FC) Port Arthur and vicinity (hurricane flood protection)	40,600,000	7,400,000		7,400,000		7,400,000		7,400,000	
Red River levees and bank stabilization, below Denison Dam, Ark., La., and Tex. (See Arkansas.)									
(N) Sabine-Neches Waterway 40 feet and channel to Echo	23,500,000	3,900,000		3,900,000		3,900,000		3,900,000	
(FC) San Antonio Channel	22,200,000	1,500,000		1,500,000		1,500,000		1,500,000	
(FC) *San Gabriel River tributary to Brazos River (land acquisition)*	53,100,000	1,800,000		1,532,000		1,800,000		1,532,000	
(FC) **Stillhouse Hollow Dam**	19,900,000	3,717,000		3,717,000		3,717,000		3,717,000	
(FC) *Taylors Bayou*	5,930,000		150,000		150,000		150,000		150,000
(FC) Texas City, hurricane protection	16,000,000	2,000,000		2,000,000		2,000,000		2,000,000	
(N) *Trinity River Bridge*	12,300,000	2,825,000		1,035,000		1,035,000		1,035,000	
(FC) Vince and Little Vince Bayous	4,770,000	800,000		800,000		800,000		800,000	
(N) Wallisville Reservoir, Trinity River	16,200,000	2,500,000		2,500,000		2,500,000		2,500,000	
(MP) *Whitney Reservoir (road replacement)*	130,000			130,000		130,000		130,000	
Vermont:									
(FC) *Bennington*	415,000					350,000		350,000	
Virginia:									
(FC) Gathright Reservoir	17,300,000	1,450,000		1,450,000		1,450,000		1,450,000	
(N) Hampton Roads	31,800,000	6,500,000		6,500,000		6,500,000		6,500,000	
(BE) Virginia Beach (reimbursement)	1,350,000	85,000		85,000		85,000		85,000	
Washington:									
(MP) *Asotin Dam, Idaho and Washington*	97,100,000						200,000		
Bonneville lock and dam (2d powerplant, Oregon and Washington). (See Oregon.)									
(MP) *Chief Joseph Dam (additional power units)*	59,800,000		300,000		300,000		300,000		300,000
Columbia River at the mouth, Oregon and Washington. (See Oregon.)									
Columbia River and lower Willamette River, 35- and 40-foot projects, Oregon and Washington. (See Oregon.)									
(FC) **Cowlitz County Consolidated Diking and Improvement District No. 2**	1,320,000	685,000		685,000		685,000		685,000	
(MP) *Ice Harbor lock and dam (additional units)*	22,000,000		200,000		200,000		200,000		200,000
John Day lock and dam, Oregon and Washington. (See Oregon.)									
(MP) Little Goose lock and dam	146,000,000	44,000,000		44,000,000		44,000,000		44,000,000	
(MP) Lower Granite lock and dam	183,000,000	9,200,000		9,200,000		9,200,000		9,200,000	
(MP) Lower Monumental lock and dam	191,000,000	23,700,000		23,700,000		23,700,000		23,700,000	
(N) *Olympia Harbor (deferred)*	373,000						20,000		20,000
The Dalles lock and dam, Oregon and Washington. (See Oregon.)									
(FC) Wynoochee River Reservoir	15,500,000	3,000,000		3,000,000		3,000,000		3,000,000	
West Virginia:									
(FC) Beech Fork Lake	13,400,000	855,000		855,000		855,000		855,000	
Belleville locks and dam. Ohio and West Virginia. (See Ohio.)									
Bloomington Reservoir, Md. and W. Va. (See Maryland.)									
(FC) *Burnsville Lake*	21,800,000					500,000		400,000	
(FC) East Lynn Lake	24,900,000	3,170,000		3,170,000		3,170,000		3,170,000	
Hannibal locks and dam Ohio and West Virginia. (See Ohio.)									
(FC) R. D. Bailey (Justice) Lake	76,600,000	4,000,000		4,000,000		4,000,000		4,000,000	
Racine locks and dam, Ohio and West Virginia. (See Ohio.)									
Rowlesburg Lake	96,100,000		535,000		535,000		700,000		700,000
Stonewall Jackson Lake	35,700,000		75,000		75,000		375,000		375,000
Willow Island lock and dam, Ohio and West Virginia. (See Ohio.)									
Wisconsin:									
Eau Galle River, Spring Valley	7,010,000	1,300,000		1,300,000		1,300,000		1,300,000	
Green Bay Harbor (1962 act)	48,820,000	1,000,000		1,000,000		1,000,000		1,000,000	
Kenosha Harbor	1,855,000	60,000		60,000		60,000		60,000	
La Farge Reservoir, Kickapoo River (land acquisition)	500,000			300,000		300,000		300,000	
Manitowoc Harbor	860,000		25,000		25,000		25,000		25,000
Miscellaneous:									
Emergency bank protection		500,000		500,000		500,000		500,000	
Small projects for flood control and related purposes not requiring specific legislation (sec. 205)		6,000,000		6,000,000		6,404,000		6,404,000	
Snagging and clearing		500,000		500,000		500,000		500,000	
Small navigation projects not requiring specific legislation costing up to $500,000 (sec. 107)		1,500,000		1,500,000		1,500,000		1,500,000	

See footnotes at end of table.

TABLE 2.—*Construction, general, fiscal year 1968 (Oct. 12, 1967)*—Continued

Construction, general, State and project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
Miscellaneous—Continued									
Small beach erosion control projects not requiring specific legislation costing up to $500,000 (sec. 103)		$250,000		$250,000		$250,000		$250,000	
Recreation facilities, completed projects		9,000,000		9,000,000		9,000,000		9,000,000	
Fish and wildlife studies (U.S. Fish and and Wildlife Service)		580,000		580,000		580,000		580,000	
Aquatic plant control (1965 act)		900,000		900,000		900,000		900,000	
Employees compensation		625,000		625,000		625,000		625,000	
Reduction for anticipated savings and slippages		−90,025,000		−129,516,000		−90,025,000		−115,025,000	
Grand total, construction, general		951,831,000 (972,992,000)	$21,161,000	915,634,000 (935,074,000)	$19,440,000	988,208,000 (1,010,823,000)	$22,615,000	946,954,000 (968,474,000)	$21,520,000

[1] Included in "Small navigation projects" under "Miscellaneous."
[2] Included in "Small flood control projects" under "Miscellaneous."

NOTE.—Projects shown in italic are new projects or modification of projects on which construction has not started and projects in bold face are those projects to be completed with the amount in the approved budget.

MISSISSIPPI RIVER AND TRIBUTARIES

Mr. ELLENDER. Mr. President, for Mississippi River and tributaries, the conference report provides $87,135,000, which is $4,345,000 below the amount approved by the Senate; $3,735,000 above the House; $9,735,000 above the budget and the amount appropriated for fiscal year 1967.

Mr. President, I ask unanimous consent to insert at this point in the RECORD a tabulation explaining the action of the conferees on the appropriation for flood control, Mississippi River and tributaries.

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

TABLE 3.—*Flood control, Mississippi River and tributaries, fiscal year 1968 (Oct. 12, 1967)*

Project	Total estimated Federal cost	Approved budget estimate for fiscal year 1968		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
1. General investigations:									
(a) Examinations and surveys		$142,000		$442,000		$497,000		$497,000	
(b) Collection and study of basic data		101,000		101,000		101,000		101,000	
Subtotal, general investigations		243,000		543,000		598,000		598,000	
2. Construction and planning:									
Mississippi River levees	$272,000,000	$3,200,000		$3,400,000		$3,700,000		$3,550,000	
Channel improvement	960,000,000	29,700,000		32,700,000		38,400,000		35,225,000	
Old River control	71,000,000	650,000		650,000		1,000,000		825,000	
St. Francis Basin	132,000,000	3,575,000		3,825,000		4,500,000		4,155,000	
Cache River	27,000,000		$120,000		$120,000		$120,000		$120,000
West Tennessee tributaries	13,700,000	460,000		660,000		660,000		660,000	
Lower Arkansas River	25,800,000	140,000		140,000		140,000		140,000	
Tensas Basin:									
Boeuf and Tensas Rivers, etc	52,000,000	540,000		540,000		540,000		540,000	
Red River backwater	37,500,000	1,085,000		1,335,000		1,353,000		1,335,000	
Yazoo Basin:									
Sardis Reservoir	12,580,000	40,000		40,000		40,000		40,000	
Enid Reservoir	15,710,000	35,000		35,000		35,000		35,000	
Arkabutla Reservoir	12,680,000	35,000		35,000		35,000		35,000	
Grenada Reservoir	32,010,000	40,000		40,000		40,000		40,000	
Greenwood	5,470,000	225,000		225,000		225,000		225,000	
Main stem	23,600,000	270,000		270,000		270,000		270,000	
Tributaries	40,000,000	742,000		1,542,000		1,542,000		1,542,000	
Big Sunflower River, etc	19,000,000	445,000		445,000		445,000		445,000	
Yazoo backwater	32,300,000	1,600,000		1,600,000		1,600,000		1,600,000	
Lower Red River, south bank	18,400,000	225,000		225,000		225,000		225,000	
Atchafalaya Basin	302,000,000	8,000,000		9,000,000		10,000,000		9,500,000	30,000
West Kentucky tributaries	2,130,000		30,000		30,000		30,000		
Subtotal, construction and planning	2,404,058,000	51,007,000	150,000	56,707,000	150,000	64,732,000	150,000	60,387,000	150,000
Reduction for anticipated savings and slippages		−1,400,000		−1,400,000		−1,400,000		−1,400,000	
Total, construction and planning		49,607,000	150,000	55,307,000	150,000	63,332,000	150,000	58,987,000	150,000
3. Maintenance		27,400,000		27,400,000		27,400,000		27,400,000	
Grand total	2,429,058,000	77,400,000		83,400,000		91,480,000		87,135,000	

Mr. ELLENDER. Mr. President, I ask unanimous consent to insert at this point in the RECORD a tabulation showing the details of the amount allowed by the conferees for the Atomic Energy Commission.

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

Title III—Atomic Energy Commission

OPERATING EXPENSES

Program	Appropriation, 1967	Budget estimate, 1968	JCAE authorization, 1968	House bill	Senate bill	Conference action
Raw materials	$162,515,000	$129,594,000	$129,094,000	$129,094,000	$129,094,000	$129,094,000
Special nuclear materials	353,728,000	346,420,000	346,420,000	345,920,000	345,920,000	345,920,000

Title III—Atomic Energy Commission—Continued

OPERATING EXPENSES

Program	Appropriation, 1967	Budget estimate, 1968	JCAE authorization, 1968	House bill	Senate bill	Conference action
Weapons:						
Production, storage, and surveillance	$244,300,000	$236,800,000	$236,800,000	$236,800,000	$236,800,000	$236,800,000
Research and development	215,150,000	222,100,000	227,100,000	222,100,000	227,100,000	227,100,000
Testing atomic weapons	198,480,000	236,100,000	246,100,000	236,100,000	246,100,000	246,100,000
Special test detection activities	5,570,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Total weapons	663,500,000	700,500,000	715,500,000	700,500,000	715,500,000	715,500,000
Reactor development:						
Civilian power reactors	106,480,000	122,820,000	122,820,000	121,250,000	121,250,000	121,250,000
Cooperative power reactor demonstration	17,116,000	28,783,000	28,783,000	28,783,000	28,783,000	28,783,000
Euratom	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Merchant ship reactors	100,000	100,000	100,000	100,000	100,000	100,000
Army power reactors	700,000	900,000	900,000		700,000	
Naval propulsion reactors	94,900,000	106,700,000	106,700,000	106,700,000	106,700,000	106,700,000
Space propulsion systems	77,575,000	90,400,000	90,400,000	83,000,000	83,000,000	83,000,000
Space electric power development	61,497,000	60,740,000	60,990,000	60,990,000	60,990,000	60,990,000
Terrestrial electric power development	5,595,000	8,125,000	8,125,000	7,500,000	7,500,000	7,500,000
General reactor technology	50,100,000	51,000,000	51,000,000	50,100,000	51,000,000	50,100,000
Advanced systems research and development	14,850,000	11,035,000	9,035,000	8,535,000	8,535,000	8,535,000
Nuclear safety	32,015,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Operational services	4,792,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total reactor development	467,720,000	521,103,000	519,353,000	507,458,000	509,058,000	507,458,000
Physical research:						
High-energy physics	108,073,000	116,500,000	118,000,000	118,000,000	118,000,000	118,000,000
Medium-energy physics	11,000,000	11,100,000	11,100,000	11,100,000	11,100,000	11,100,000
Low-energy physics	28,336,000	29,400,000	29,400,000	29,400,000	29,400,000	29,400,000
Mathematics and computer research	6,107,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000
Chemistry research	52,864,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Metallurgy and materials research	26,284,000	27,600,000	27,600,000	27,600,000	27,600,000	27,600,000
Controlled thermonuclear research	22,626,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000
Total physical research	255,290,000	272,000,000	273,500,000	273,500,000	273,500,000	273,500,000
Biology and medicine	86,000,000	90,450,000	90,450,000	90,450,000	90,450,000	90,450,000
Training, education, and information	16,158,000	17,855,000	16,355,000	16,355,000	16,455,000	16,355,000
Isotopes development	7,838,000	8,375,000	8,375,000	7,838,000	7,838,000	7,838,000
Civilian application of nuclear explosives (Plow-share)	13,335,000	21,865,000	21,865,000	20,715,000	20,715,000	20,715,000
Communities	10,137,000	7,223,000	7,023,000	6,871,000	7,023,000	6,871,000
Program direction and administration	88,676,000	94,000,000	94,000,000	93,200,000	93,200,000	93,200,000
Security investigations	6,443,000	6,731,000	6,731,000	6,731,000	6,731,000	6,731,000
Cost of work for others	17,200,000	13,224,000	13,224,000	13,224,000	13,224,000	13,224,000
Total program costs	2,148,540,000	2,229,340,000	2,241,890,000	2,211,856,000	2,228,708,000	2,226,856,000
Change in selected resources	8,756,000	12,818,000	17,218,000	7,518,000	8,068,000	7,518,000
Gross obligations	2,157,296,000	2,242,158,000	2,259,108,000	2,219,374,000	2,236,776,000	2,234,374,000
Revenues applied	−77,186,000	−59,317,000	−59,317,000	−59,317,000	−59,317,000	−59,317,000
Net obligations	2,08 ,110,000	2,182,841,000	2,199,791,000	2,160,057,000	2,177,459,000	2,175,057,000
Unobligated balance, start of year	−170,218,000	−12,941,000	−26,605,000	−35,057,000	−35,057,000	−35,057,000
Unobligated balance, end of year	12,941,000					
Transfer to General Services Administration	167,000					
Appropriation	1,923,000,000	2,169,900,000	2,173,186,000	2,125,000,000	2,142,402,000	2,140,000,000

PLANT AND CAPITAL EQUIPMENT

Project	Construction project	Budget estimate, 1968	JCAE authorization, 1968	House bill	Senate bill	Conference action
68-1-a	Hot laboratory, New Brunswick, N.J.	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
68-1-b	Replacement waste storage tanks, Richland, Wash.	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
68-2-a	New weapons production capabilities, various locations	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
68-a-b	Weapons production, development and test installations	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
68-3-a	Research and development test plants, Project Rover, Los Alamos Scientific Laboratory, New Mexico, and Nevada Test Site, Nevada	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
68-3-b	Isotopic space systems facility, Sandia Base, N. Mex.	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
68-3-c	Modifications to reactors	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
68-4-a	Accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000
68-4-b	Accelerator improvements, zero gradient synchrotron, Argonne National Laboratory, Illinois	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
68-4-c	Accelerator improvements, Lawrence Radiation Laboratory, Berkeley, Calif.	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000
68-4-d	Accelerator improvements, Cambridge and Princeton accelerators	400,000	400,000	400,000	400,000	400,000
68-4-e 9	Accelerator improvements, Stanford Linear Accelerator Center, California	865,000	865,000	865,000	865,000	865,000
68-4-f	Omnitron accelerator, Lawrence Radiation Laboratory, Berkeley, Calif. (AE only)	4,000,000				
68-4-g	200 Bev accelerator, Du Page and Kane Counties, near Chicago, Ill. (AE only)	10,000,000	7,333,000	7,333,000	7,333,000	7,333,000
68-4-h	Laboratory and energy storage facility, Los Alamos Scientific Laboratory, New Mexico	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
68-5-a	Addition to biomedical building, Rio Piedras, P.R.	1,400,000	1,400,000		1,400,000	1,400,000
68-6	General plant projects	39,175,000	39,175,000	39,175,000	39,175,000	39,175,000
68-7	Construction, planning and design	1,000,000				
67-3-a	Fast flux test facility	80,000,000	80,000,000	21,000,000	21,000,000	21,000,000
66-5-h	Meson physics facility, Los Alamos Scientific Laboratory, New Mexico	50,300,000	50,300,000	10,400,000	10,400,000	10,400,000
	Subtotal, construction projects	319,625,000	311,958,000	211,658,000	213,058,000	213,058,000
	Capital equipment not related to construction	156,575,000	156,575,000	156,075,000	156,575,000	156,075,000
	Total appropriation	476,200,000	468,533,000	367,733,000	369,633,000	369,133,000

Mr. ELLENDER. Mr. President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11641, which was read, as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, to the aforesaid bill, and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$967,599,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein.

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 13 to the aforesaid bill.

The PRESIDING OFFICER. The clerk will report the first amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, to the aforesaid bill, and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$967,599,000".

Mr. ELLENDER. Mr. President, I move that the Senate agree to the amendment with an amendment.

The PRESIDING OFFICER. The amendment will be stated:

The assistant legislative clerk read as follows:

I move that the Senate concur in House amendment to Senate amendment No. 2 with an amendment as follows:

Strike out "$967,599,000" and insert in lieu thereof "$968,474,000".

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 13 to the aforesaid bill.

Mr. ELLENDER. Mr. President, I move that the Senate recede from its amendment No. 13.

The PRESIDING OFFICER. The question is on the motion to recede.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. PASTORE. Mr. President, I would like to ask a question of the distinguished manager of the conference on the Public Works Appropriation bill. As I understand it, the action we are taking now is to insert money for the Dickey-Lincoln amendment, and that will go back to the House for further action.

Mr. ELLENDER. The Senator is correct.

Mr. PASTORE. How much money is involved?

Mr. ELLENDER. Eight hundred and seventy-five thousand dollars.

Mr. PASTORE. I merely wanted the RECORD to show that fact.

Mr. ELLENDER. The Senator is correct.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is not this project duly authorized by law, passed by both Houses of Congress and approved by the President?

Mr. ELLENDER. It is. Aside from that, it had a budget estimate of $1,676,000, but the House would not go along with it, so in conference we agreed to an amount of $875,000 for continuation of planning as a minimum. That was sent to the House, and the House turned that down. We are now sending it back so that the House can have another vote on whether or not to include in the bill $875,000 for the continuation of planning on this project.

Mr. HOLLAND. Mr. President, I thoroughly agree with our standing by our former action in this matter.

My understanding is that the New England people pay more for their electric power than is paid by the citizens of any other part of the Nation.

I ask the distinguished Senator from Rhode Island whether my understanding is correct.

Mr. PASTORE. The Senator's understanding is absolutely correct, unequivocally, and beyond contradiction. And we dare anyone to contradict it.

Mr. HOLLAND. Mr. President, aside from that, it is my understanding that there is not a single Federal power producing project in the six New England States. Am I correct?

Mr. PASTORE. The Senator is absolutely correct. And there, again, we dare anyone to contradict it.

Mr. HOLLAND. Mr. President, I should like to address a question to the distinguished junior Senator from Maine [Mr. MUSKIE].

Is it not true that this matter was duly submitted to the Governor of Maine and the authorities of that State and has the support and backing of the State authorities?

Mr. MUSKIE. Yes. May I say to the distinguished Senator from Florida that since the President sent this project to the Hill, two Maine Governors—one Republican and one Democrat—have supported it. Two Maine Legislatures—one Republican controlled and one Democratic controlled—have supported it. My distinguished senior colleague from Maine and I have supported it from the beginning. Every Member of Congress from Maine has supported the project since it was sent up.

The project has widespread support throughout the State of Maine and also, as a matter of fact, if we get outside of some official circles, throughout the grassroots level in New England.

I should like to make one or two other points that I believe are pertinent.

Mr. HOLLAND. May I ask one question of the Senator?

Mr. MUSKIE. Yes.

Mr. HOLLAND. Is it not correct—at least, I understand it to be correct—that the benefit-to-cost ratio of this project is in accord with Federal law and is satisfactory?

I ask the distinguished Senator from Louisiana to answer my question.

Mr. ELLENDER. It is 1.9 to 1, which is a very good ratio.

Mr. HOLLAND. I thank the Senator from Louisiana.

Mr. President, I note that the senior Senator from Maine [Mrs. SMITH] is present. She was a member of the conference which considered this matter. If anyone ever fought for a project in which she was interested, she did.

I want the record to show that every conferee from the Senate supported the position of the distinguished Senator from Maine [Mrs. SMITH]. I want the record to show that we agreed reluctantly, at the insistence of the conferees of the other body, to practically cut the appropriation in two, making it about half of what had been in the budget and what had been voted by the Senate.

The scrap put up by the distinguished senior Senator from Maine is something that I shall long remember. The Senate had taken that position. The conferees unanimously took that position. The two Senators from Maine took that position. Congress, consisting of both the House and the Senate, had taken that position in authorizing this legislation. The State officials from Maine had backed it from the beginning—and I refer now to those back home in Maine, rather than to those in Congress.

This area of our Nation, six fine States, most of them going back to the origin of our country, are entitled to be taken into the Union for the purpose of having some advantage from the program for the development of the power resources of our country.

I hope that eventually—at an early date—we may get around to moving ahead with this project.

I thank the Senator for yielding.

Mrs. SMITH. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield.

Mrs. SMITH. I want to say thank you from the bottom of my heart, for myself and the people in Maine, to the distinguished Senator who has just spoken, and especially to the chairman and to the other members of the conference and Mr. Bousquet, who have been so helpful.

I want to express my deep appreciation to the Members of the Senate for their continued kindness and fair treatment to the State of Maine and Maine people as contrasted to the action taken by the House on the Dickey-Lincoln School project.

Dozens of Members of the House voted for unbudgeted projects in their districts or for increasing appropriations over the budgeted amounts—and yet claimed that they were voting against the Dickey-Lincoln School project in Maine on the grounds of economy.

It seems as though they were for economy and cutting the budget unless it involved projects in their own districts. They were willing to cut the budgeted item for Maine. They were willing to vote against even only one-half of the amount budgeted by the President for the Maine project.

But they not only did not practice economy themselves on their own districts but instead voted to increase appropriations for projects that had not even been budgeted.

We of Maine have supported power projects for every region of the country. There seems to be little, if any, reci-

procity on their part for Maine and New England.

This is a project that has been worked on very hard, and has been authorized by the Public Works Committee, of which my distinguished colleague is a very influential member. It has never been treated on a partisan basis. I would not expect it to be. Maine needs this power. Maine needs what it will bring in low-cost electricity.

I am grateful that the Senate has upheld both the House and Senate conferees on this project. I would hope that the House would vote as much confidence and approval of the action of their conferees as well as the Senate conferees.

Mr. HOLLAND. I thank the distinguished Senator.

I believe that great part of our Nation, an old and distinguished part of our Nation, should have a measuring stick of the actual cost of producing power to help force down the cost of power in that very great section of our Nation.

Mrs. SMITH. I have been a member of the Appropriations Committee and the Public Works Subcommittee for many years. I have supported projects all over the country. Maine asks for very little and receives very little. This is not something that is given to us. It is something that is paying for itself. It is self-liquidating over the years, and the ratio of 1.9 to 1.0—I believe the chairman will bear me out—is higher than in most projects of this type.

Mr. PASTORE. Mr. President, I believe the RECORD should show that not only was this project sponsored by President Kennedy, who was familiar with the situation in New England, but also, this policy was pursued by the present administration.

I repeat what the distinguished senior Senator from Maine has said: There is no partisan aspect to this project. This is not a provincial or parochial project. This is a project that has been supported not only by the Representatives in Maine but also by Representatives throughout New England, including Rhode Island. Our Rhode Island support of this program has been unanimous.

The budget request was $1,676,000. It was allowed by the Appropriations Committee of the House and was rejected on the floor of the House, which, to me—to use an appropriate word—was a disgraceful act. To me, it was disappointing and incomprehensible.

The Senator from Rhode Island and the Senators from Maine have stood up time and time again to support similar projects all over the country because we felt that the development of the natural resources of this country would inure to the benefit of all the people.

This is no charity deal. The Dickey-Lincoln power project has a benefit-to-cost ratio of 1.9 to 1—almost 2 to 1.

That is a better showing than more than a hundred other projects encompassed in this public works bill.

We are not on the floor of the Senate today asking for sympathy. We do not have our hand out or our hat in our hand, asking for charity. All we ask for is justice and equity; that is all we want.

We have the highest power rates in the country. This project is essential in New England, if we are to bring that high cost of electricity down.

I believe it is high time we reject this sectionalism. Simply because this was a line item, it died on the floor of the House of Representatives. I say that was a discouraging and a very disgraceful act. I hope, now that our very distinguished manager of the bill has seen fit to put only a fraction of the estimate back in the bill, that the House will review the matter and look once again into its conscience and do what is right—not for New England, but for the people of the United States of America.

I thank my distinguished colleague, the Senator from Louisiana, for the fine leadership he has shown in this matter. He has gone beyond the line of duty, and I congratulate him.

Mr. MUSKIE. Mr. President, I should like to make two or three additional points which I believe are pertinent for the RECORD at this time, as we send this project back to the conference committee.

First, I should like to express my appreciation to the distinguished Senator from Louisiana; the distinguished Senator from Florida; my distinguished colleague [Mrs. SMITH], who has worked so hard over the years for this project; and the Senator from Rhode Island [Mr. PASTORE].

The Senator from Rhode Island [Mr. PASTORE] I think has touched upon the equity of this proposition. Since I have been a member of the Committee on Public Works I have participated in the approval of 28 Federal public projects across this country. Of those 28 Federal public projects only two had a higher benefit-cost ratio than Dickey-Lincoln School. Not one of the other 28 has ever been challenged in either House of Congress. Yet, Dickey-Lincoln School has been selected as one project in a $4 to $5 billion public works bill to attack. The argument is cynically made that this is an economy move. Mr. President, $1.6 million out of almost $5 billion has been selected for deletion as an "economy" move.

I wish to make another point. Last week I asked the Army Engineers to send me a map of the United States showing every Federal public power project that has ever been constructed or authorized, or which is under construction anywhere in the country. I have that map and that map shows that in the Far West, in the Southwest, in the South, in the Southeast Federal public power projects are scattered across the landscape, and there are so many that they are difficult to count; but north of the Mason-Dixon line, east of the Mississippi River not a single Federal public power project.

In all of these projects in other parts of the country they had to meet the same guidelines and the same tests which have been applied to the Dickey-Lincoln School. Dickey-Lincoln School is justified by every standard that has been used to authorize every one of these other Federal public power projects over the years.

Why, then, Mr. President, is Dickey-Lincoln School being deleted from this bill? It is being deleted for only one reason. New England is the one remaining intact preserve of the private power industry and they intend that it remain so. They even enlisted the assistance of private power companies across the country to bring pressure upon their Congressmen against Dickey-Lincoln School.

Why should a private utility located thousands of miles from the St. John River pick up the telephone and apply pressure on Congressmen without knowing our region, without knowing its needs and without knowing its resources? This company sought to apply pressure to its Congressmen to vote against the Dickey-Lincoln School because the entire private power industry sees this industry as the one remaining preserve of the private utility industry in this country.

They are the ones we are fighting, Mr. President, and they have used every tactic in the book. I intend later in the day to cover some of that record. They have used every tactic in the book except fact and merit to fight this project. They brought pressure through every means they could devise and conjure up against this project. They do not want the Dickey-Lincoln School for New England, not because it does not have merit, but because it would provide a yardstick for their performance.

We have already gotten some benefits of a public power yardstick from the fact that this measure was introduced. There is an agency called the Electrical Coordinating Council in New England made up of executives of 18 private utility companies in New England. It has existed for almost 20 years and for 17 years it never produced a rate reduction for Maine power consumers. However, within 2 months—and I think it is less time than that—of the time President Johnson sent this project to the Hill, and prior to the time the House of Representatives was to consider it, the Maine power companies asked for a rate reduction.

Every time there has been a significant development in the Dickey-Lincoln School project on either side, in either body, another rate reduction is applied for; oh, not very big; it did not provide many benefits for the householder. The last one took place within a month of the day we are now considering this project in the Senate, and undertaking to make a case.

What will happen if the Dickey-Lincoln School dies? Will we see more requests for rate reductions? I hope the Senate will pardon the cynicism of this Senator in suggesting we will have seen the last of them. They want to protect this area and they are applying pressure to the other body.

I wish to say to Senators how much I appreciate the patience with which the entire Senate has supported Senator Smith and me in this project on both sides of the aisle. No voice has ever been raised in the Senate to oppose us and no voice has ever been raised to protest the best interests of the people of Maine or northern and southern New England. I appreciate that patience and consideration over the years, as I do this afternoon.

I again thank the distinguished Senator from Louisiana, my colleague from

Maine, and my Senate colleagues from New England, all of whom rallied behind us in this fight, and I hope effectively this time.

(At this point, Mr. McGOVERN assumed the chair.)

Mr. AIKEN. Mr. President, since I have been in public life, New England has been in a grip of one of the most powerful power monopolies of any part of the United States.

The monopoly, and it has been a virtual monopoly over the wholesale supply of power in all six New England States up to a few years ago, is centered in Boston. Ever since I can remember the motto has been: "Give as little as you can and charge as much as you can get for it." They have virtually ignored the meaning of the words "public service."

Dickey-Lincoln has been voted down in the House of Representatives because the private power monopoly does not want it passed. They have exerted pressure enough to prevent its acceptance by some whose districts would benefit from it if it could become law.

They say that up to a few years ago this was perhaps the tightest power monopoly anywhere. It is still the tightest power monopoly in four New England States, and these people do not intend to give up that monopoly if they can help it.

A few years ago, due to the fact that St. Lawrence power was developed, my State of Vermont enjoyed relief from this unconscionable situation. I am happy to say that Vermont is now, I believe, 30th in rank according to prices paid for electrical energy. If I remember correctly, the State of Maine pays the highest rate of any State in the Union. Maine ranks 50th. It is followed by New Hampshire, Massachusetts, and Rhode Island. I do not know the order in which those four States come. However, those four States today are compelled to pay a higher rate for their electricity than any other comparable region of the entire United States.

I think Congress should not hesitate in the least to do justice to this area. They are fighting against a monopoly to which money means practically nothing, because they tack it onto the bills of the people that they are exploiting. I think that is the word to use.

In my State this year, where the St. Lawrence Power forced a reduction in electrical rates, the use of electricity has increased about 12 percent over last year and in previous years since St. Lawrence Power has been available it has been increasing about 10 percent a year. But the utility operators cannot see that they can make more money by selling more power at lower rates. All they have to do is look at the utilities in my State to see that that is possible. However, they are fearful that Dickey-Lincoln will provide a yardstick for Maine, New Hampshire, Massachusetts, and Rhode Island to get power at a fair rate, which would be a reflection on the honor of the utilities, they seem to think.

I have worked with the senior Senator from Maine for many years, as well as the junior Senator from Maine. So far as I know, every Senator from Maine since this project came up has supported it, as well as every Representative.

I believe that is true of Vermont, too, where we have had an example of what reasonable cost for power can do for a community.

I hope that the power of these monopolists has waned enough so that the proviso for this modest appropriation for Dickey-Lincoln will be approved at this session of Congress.

Mr. MANSFIELD. I wish to assure the distinguished chairman of the Appropriations Subcommittee on Public Works. the Senators from Maine and Vermont, and others who have spoken on the subject, that I would hope not only the conference committee on the part of the House—which I think will understand what is happening here—but also the House as a whole, will understand that there is bipartisan and total unity in the Senate on this subject, and will react accordingly.

Mr. AIKEN. Amen.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ESTABLISHMENT OF A NATIONAL COMMISSION ON PRODUCT SAFETY

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House on Senate Joint Resolution 33, to establish a National Commission on Product Safety.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 33) to establish a National Commission on Product Safety, which were:

On page 2, line 9, after "experience.", insert "Not more than four members of the Commission may be members of the same political party."

On page 5, line 4, strike out "paragraph (a) of this section" and insert "this subsection."

On page 5, strike out all after line 23 over through and including 5 on page 6, and insert:

"(c) The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this joint resolution; and each such department, agency, or independent instrumentality is authorized to cooperate with the Commission and, to the extent permitted by law, to furnish such information to the Commission upon request made by the Chairman or the Vice Chairman when acting as Chairman."

On page 8, strike out all after line 16 down through and including line 25, and insert:

"(c) The head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to assist in carrying out the duties of the Commission under this joint resolution."

On page 9, line 8, strike out "the" where it appears the second time.

On page 9, line 18, strike out "2(b)" and insert "2(c)".

On page 9, line 21, strike out "The" and insert "As used in this joint resolution, the".

On page 9, line 25, strike out "regulated" and insert "which are subject to regulations prescribed".

On page 10, line 14, strike out "Act" and insert "joint resolution".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

STATEMENT BY COMMITTEE ON STANDARDS AND CONDUCT REGARDING SENATOR EDWARD V. LONG, OF MISSOURI

Mr. STENNIS. Mr. President, this is a statement on behalf of the Committee on Standards and Conduct.

The committee has taken note of the second article concerning Senator EDWARD V. LONG, of Missouri, by Mr. William Lambert, published in the Life magazine issue dated November 10, 1967.

Shortly after the appearance of the first article, the committee staff interviewed Mr. Lambert at length on at least four occasions, in addition to holding several telephone conversations with him, concerning the basis of his allegations against Senator LONG. Mr. Lambert suggested various sources of information and provided much useful background information about his article. These leads and this information were reported to the committee by the staff. The committee later weighed all this information, as well as information from other sources including the results of interviews from leads provided by Mr. Lambert.

The committee cannot definitely state now that there is any new and substantial evidence in the second article. But in view of Mr. Lambert's close association with the matter, the committee will fully consider his latest allegations, within the framework of Senator LONG's conduct as a Member of the Senate.

In order to assure that Mr. Lambert has the full opportunity to elaborate on his allegations, the committee has directed its chief counsel to talk with him again and to obtain whatever supporting evidence he has of any facts on which his conclusions are based.

Mr. President, that concludes the statement. As I say, it is a statement not by its chairman but by the committee.

I thank the Senator from Montana for yielding to me.

FEASIBILITY INVESTIGATIONS OF CERTAIN WATER RESOURCE DEVELOPMENTS

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1788.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the amendment of the House to the bill (S. 1788) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, and requesting a conference with the Senate on the

disagreeing votes of the two Houses thereon.

Mr. JACKSON. Mr. President, I move that the Senate insist upon its amendment to the House amendment to S. 1788, and agree to the conference requested by the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. ANDERSON, and Mr. KUCHEL conferees on the part of the Senate.

IMPORTANCE OF THE CATTLE INDUSTRY TO OUR ECONOMY

Mr. SPARKMAN. Mr. President, the October 23 newsletter of the American Farm Bureau Federation contained a table on the sources of farm income in the United States.

It is interesting, I believe, that cattle sales are the leading income producer in 21 States; second highest producer in 10 States; and third in five others. As a result, livestock and livestock products in 1966 carned about 57.3 percent of all farm income, with cattle accounting for just over 24 percent.

Because the livestock industry is characterized by small, family, and independent businesses, I have long been interested in fostering the developments which will give our farmers and ranchers a foundation for sound, long-term progress.

The inquiry which I conducted in the Small Business Committee between 1964 and 1967 on foreign market opportunities was one facet of the picture. The investigation of tax problems of livestock producers currently underway in that committee, is another. However, the economic relationships and problems of the livestock industry are so numerous and far reaching that they will call for the attention and the best efforts of industry in government for many years to come.

A part of this effort which is deserving of public notice is the economic research performed by farm organizations such as the Farm Bureau and the American National Cattlemen's Association. For example, the Cattlemen's Association, in its testimony of May 1966, made an analysis of the low profit margins characterizing many segments of the cattle industry, which tend to undermine a businesslike response to the market potentials and problems of livestock sales.

Further work of the association produced a publication entitled "Current Cattle Feeding and Production Facts and Associated Economic Relationships" in July 1967. This study examined and charted the economics of feeding cattle to various weights. I believe this publication is an example of the valuable work which associations of private businessmen can do in the public interest.

The Cattlemen's Association and its State affiliates, including the Alabama Cattlemen's Association, also follow the shifting conditions of the industry closely and perform a valuable service by representing the interests of the members whose enterprises are so important to our economy and to the majority of States across the Nation.

I ask unanimous consent that an excerpt from the Farm Bureau newsletter giving the 1966 cash receipts for the two leading farm commodities be printed in the RECORD at this point for information of all concerned.

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

[From the American Farm Bureau official newsletter, Oct. 23, 1967 p. 171]

CATTLE SALES ARE FIRST IN FARM CASH RECEIPTS

Sales of cattle were the major source of cash receipts from farming in 21 states in 1966, USDA has reported.

Dairy products ranked first in 13 states; broilers in four; tobacco in three; and wheat in two.

This table, prepared by the Department, shows the five principal sources of cash receipts from farming in each of the 50 states. It also shows where each state ranks relative to the others in cash receipts from the various commodities.

[Italic figures indicate the rank of States in the United States. Cash receipts in millions of dollars]

State	Total		Livestock and products		Crops		Excerpt the 2 leading commodities for cash receipts [1]			
							1		2	
	Rank	Cash receipts	Rank	Cash receipts	Rank	Cash receipts	Commodity	Cash receipts	Commodity	Cash receipts
Maine	38	249.0	38	143	38	106.0	Potatoes (2)	80	Broilers (9)	53
New Hampshire	48	58.0	47	47	47	12.0	Dairy products (41)	3	Eggs (33)	16
Vermont	44	139.0	41	124	46	15.0	Dairy products (14)	104	Cattle (41)	13
Massachusetts	42	171.0	43	93	40	78.0	Dairy products (50)	50	Greenhouse nurseries (9)	27
Rhode Island	49	22.0	49	12	49	10.0	Dairy products (49)	6	Greenhouse nurseries (31)	5
Connecticut	43	168.0	42	101	41	67.0	Dairy products (32)	45	Eggs (22)	37
New York	15	1,002.0	13	687	21	315.0	Dairy products (2)	491	Cattle (33)	83
New Jersey	37	274.0	40	127	36	148.0	Dairy products (27)	56	Eggs (17)	42
Pennsylvania	17	913.0	14	675	28	238.0	Dairy products (5)	369	Cattle (27)	112
Ohio	11	1,302.0	11	731	8	571.0	Dairy products (7)	240	Hogs (7)	186
Indiana	8	1,461.0	10	800	7	661.0	Hogs (3)	368	Corn (3)	301
Illinois	3	2,763.0	4	1,326	2	1,437.0	Corn (1)	751	Hogs (2)	588
Michigan	18	886.0	18	488	16	398.0	Dairy products (6)	241	Cattle (24)	127
Wisconsin	9	1,420.0	6	1,218	32	202.0	Dairy products (1)	745	Cattle (13)	211
Minnesota	5	1,816.0	5	1,271	10	544.0	Cattle (8)	458	Dairy products (4)	374
Iowa	2	3,460.0	1	2,573	4	887.0	Cattle (1)	1,145	Hogs (1)	1,046
Missouri	10	1,384.0	9	918	14	466.0	Cattle (11)	374	Hogs (4)	310
North Dakota	23	732.0	28	271	15	461.0	Wheat (2)	257	Cattle (14)	187
South Dakota	19	880.0	12	692	33	188.0	Cattle (10)	412	Hogs (8)	156
Nebraska	6	1,680.0	7	1,139	11	542.0	Cattle (3)	794	Hogs (6)	231
Kansas	7	1,533.0	8	977	9	556.0	Cattle (4)	756	Wheat (1)	326
Delaware	45	128.0	44	91	42	37.0	Broilers (8)	71	Corn (22)	12
Maryland	35	333.0	33	226	37	106.0	Broilers (5)	93	Dairy products (19)	84
Virginia	31	507.0	27	282	29	225.0	Dairy products (18)	88	Tobacco (4)	81
West Virginia	46	105.0	45	85	45	21.0	Cattle (38)	28	Dairy products (42)	21
North Carolina	12	1,295.0	19	480	5	815.0	Tobacco (1)	519	Broilers (4)	142
South Carolina	34	397.0	39	138	26	259.0	Tobacco (3)	88	Soybeans (14)	50
Georgia	14	1,016.0	15	633	18	383.0	Broilers (1)	225	Eggs (2)	175
Florida	13	1,039.0	25	297	6	742.0	Oranges (1)	214	Cattle (29)	103
Kentucky	25	711.0	23	384	20	327.0	Tobacco (2)	240	Cattle (18)	165
Tennessee	27	603.0	24	345	27	258.0	Cattle (23)	129	Dairy products (15)	99
Alabama	26	647.0	20	465	34	182.0	Broilers (3)	161	Cattle (25)	121
Mississippi	22	784.0	22	398	17	386.0	Cotton lint (3)	170	Cattle (20)	146
Arkansas	16	935.0	21	440	12	496.0	Soybeans (4)	230	Broilers (2)	175
Louisiana	28	550.0	34	221	19	329.0	Cattle (28)	111	Rice (3)	99
Oklahoma	20	853.0	17	562	23	290.0	Cattle (9)	445	Wheat (3)	167
Texas	4	2,699.0	3	1,385	3	1,313.0	Cattle (2)	896	Cotton lint (1)	424
Montana	32	503.0	26	288	30	215.0	Cattle (12)	235	Wheat (5)	140
Idaho	29	542.0	30	240	22	302.0	Cattle (21)	138	Potatoes (1)	113
Wyoming	39	204.0	36	172	44	32.0	Cattle (22)	132	Sheep, lambs (6)	21
Colorado	21	826.0	16	618	31	208.0	Cattle (7)	497	Wheat (14)	50
New Mexico	36	290.0	35	192	39	98.0	Cattle (19)	155	Cotton lint (10)	33
Arizona	33	500.0	31	232	25	268.0	Cattle (16)	181	Cotton lint (5)	90
Utah	41	188.0	37	150	43	37.0	Cattle (35)	56	Dairy products (37)	35
Nevada	47	63.0	46	52	48	11.0	Cattle (37)	40	Dairy products (47)	7
Washington	24	727.0	29	257	13	469.0	Wheat (6)	139	Dairy products (17)	95
Oregon	30	514.0	32	232	24	282.0	Cattle (26)	119	Dairy products (31)	48
California	1	3,948.0	2	1,557	1	2,391.0	Cattle (5)	711	Dairy products (5)	422
Alaska	50	4.5	50	3	50	1.5	Dairy products (50)	2	Eggs (49)	1
Hawaii	40	199.0	48	37	35	162.0	Sugarcane	(2)	Pineapples	(2)
United States (48 States)	------	43,219.0	------	24,835	------	18,384.0	Cattle	10,432	Dairy products	5,502
United States (50 States)	------	43,423.0	------	24,876	------	18,547.0	....do	10,443	....do	5,516

[1] See news letter, Sept. 4, p. 143, for national rank and value of commodities.
[2] Cash receipts for Hawaii sugarcane and pineapples are not available for publication.

Source: Economic Research Service, USDA.

FIVE ILLUSTRIOUS ALUMNI OF THE UNIVERSITY OF MONTANA HONORED

Mr. MANSFIELD. Mr. President, the University of Montana, at Missoula, honored five alumni for the recognition their careers have brought to the university. The alumni association presented distinguished service awards during the homecoming weekend.

The awards were made to Robert C. Hendon, New York; Anne C. Kimball, Cornell Medical College; Joseph E. McDowell, New York; Richard K. O'Malley, Frankfurt, Germany; and Gordon Rognlien, Kalispell, Mont.

The people of Butte, Mont., have a special fondness for one of the recipients—Dick O'Malley. He grew up in Butte and was well known as a local reporter and political writer. Later he became associated with the Associated Press, then went on to a distinguished career as a war correspondent in World War II. Dick was bureau chief in Denver, and then overseas again, and now with the AP in Frankfurt, Germany.

Dr. Anne C. Kimball, of the department of medicine at Cornell Medical College, is the second member of her family to receive the award. Her late sister, Mary, was similarly honored in 1962. Dr. Kimball is an expert on the effects of parasites on the nervous system.

Joseph E. McDowell, of Deer Lodge, has had a varied career as a lawyer with Government agencies and a private firm in Washington, D.C., and now heads his own company in New York City.

Gordon Rognlien, a favorite son of the Flathead, is the only one of the five who has never strayed far from Montana except in the service of his country during World War II. He is one of the outstanding lawyers in the State, as well as one of its most active participants in civic affairs.

The career of Robert C. Hendon, currently president of the University of Montana Alumni Association, runs the gamut from administrative assistant to FBI Director J. Edgar Hoover, to national vice president of the Railway Express Agency.

Mr. President, each of these outstanding alumni has brought credit to the University of Montana and to the State. I ask unanimous consent to have printed in the RECORD two features published in the Montana Standard of October 8. One concerns Dick O'Malley; the other is a personality sketch of the recipients of the distinguished service award.

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

[From The Butte-Anaconda (Mont.) Standard, Oct. 8, 1967]

EX-BUTTE MAN AS REPORTER COVERS THE WORLD—DICK O'MALLEY: RAIL HOSTLER TO NEWS HUSTLER

(By William J. Clark)

Kilroy, according to popular belief, "was here" in a lot of places, but chances are that Richard Kilroy O'Malley beat the shadowy figure to it more than once.

Dick O'Malley, who grew up here when Butte seemed a lot more brassy and sometimes turbulent, is one of five University of Montana products who will receive the U of M Alumni Association's highest recognition, the Distinguished Service Award. The presentation is scheduled as a highlight of the university's Homecoming in Missoula Oct. 20–21.

Now 57, the Irish Harp has seen many parts of the world since he wrote his first yarn as a schoolboy of 13. His father, Malcolm George O'Malley, an outstanding reporter and political writer in his day in Butte, edited what once was a widely read nostalgic Sunday feature in The Montana Standard. It was called "Echoes of the Distant Past." The elder O'Malley, died in 1949. Cora O'Malley, Dick's mother, died the same year. She had been a local neighborhood columnist and reporter for the Butte papers for many years.

A graduate of Butte High School, where as top cheerleader he exhorted Bulldog athletes to put forth a little extra in the name of victory, he went on to the university's School of Journalism, class of '35. For awhile during his college years O'Malley did some moonlighting as a night-time railroad policeman in the NP yards.

"Don't believe any stories about me as a cinder dick," he says. "It's a base canard that I used to snatch big hoboes off the trains and run them over to the gym to suit up in Grizzly football armor. But maybe I should have."

The Portland native—he was in infancy when the family moved to Butte—emerged from school to become a reporter for the Helena Independent. He covered the Capitol during part of Gov. Roy E. Ayers' administrations. He switched to the Great Falls Leader, then, and for 14 months worked under the late Joe Howard. He did a brief moonlighting stretch even then, as a hostler in the railroad shops at night and on days off.

When a vacancy occurred in the Helena staff of the Associated Press, O'Malley grabbed it. This writer was a member of that staff and in November 1943 wangled a transfer to the Denver AP bureau. In a matter of months O'Malley also hit the trail to Denver AP, but World War II was in full swing and O'Malley, itchy-footed as an old vaudeville trouper, couldn't wait to have a go at it. He used hard work, Gaelic wit and constant persuasion until he landed on AP's West Coast foreign desk in San Francisco, where he joined another ex-Montanan, Roy Roberts.

From there it was westward-ho and an assignment as a full-fledged war correspondent. He joined the U.S. fleet at Leyte. Some of his eye-catching reports were classics of their time—a description of the gooney birds on Wake Island (the birds fly backward, although they probably never tried it until they met The O'Malley), a personality sketch of the inimitable Adm. Bull Halsey, interviews with Nimitz, MacArthur and other top-drawer war leaders, and the memorable day in Tokyo Bay, when he helped cover the Japanese surrender aboard the battleship Missouri.

The war over, O'Malley went off to Korea, perhaps little suspecting this itself would be the next big international combat arena. An oriental virus bit him, though, and he was invalided to a hospital in Tokyo.

Even there O'Malley did not lack for diversion. He had a second-floor room with a window overlooking the street. When he heard the heavy clock-clock-clock of some masculine Japanese approaching in wooden shoes along the sidewalk, O'Malley would amuse himself by directing expertly-aimed bagsful of water from above.

"Got four so far," he exulted once in a letter. "One more, and they're going to decorate me as an ace."

Recovered or nearly so, O'Malley came home and was made bureau chief in Denver. Then it was overseas again, this time to write the summer Olympics in England.

He was stationed for a time in AP Berlin, and there experienced a couple of rich moments career-wise. He and Montgomery Clift and Paul Douglas were in principal roles in the movie "The Big Lift," which was built around the famed airlift operations which kept the Berliners from starving. O'Malley was cast as a photographer.

There was a period when the Berlin City Hall was divided, with West Germans on one side of the building and Communists in the other half. One day when a West German photographer edged too near the line in the corridor and was grabbed from the opposite side in an apparent kidnep, O'Malley walloped a couple of the would-be abductors and yanked his friend to safety.

The Irishman went to Bonn and from there to one of the top AP commands in the world—chief of AP in Moscow. He scored a number of world beats in the checkered days of Bulganin and Khrushchev, but it didn't last. Moscow expelled him on a charge of dealing illegally in currency.

"Everybody was doing it," he explained afterward, "and everybody was expected to do it. But they had a rule against it—you know, something like 'don't spit on the street.' And they always waited until somebody worried them too much, and then they'd pounce with a triumphant: 'Ha! We caught you.' "

So O'Malley became assigned to Paris, after taking a flier to Cyprus in 1956 to handle yet another war. Then it was back to Denver briefly, after which he found himself still another war. This was in Algeria, with French against Algerians. O'Malley even managed there to cover two wars at the same time, his job reporting the French sweep in Algeria and the uprising of Tunisian forces against the French over the sea base of Bizerte. "It was a hell of a busy week," he recalls.

O'Malley became AP chief in Paris March 16, 1959. He accompanied De Gaulle to President Kennedy's funeral, and both went back to Paris to keep fingers on the French pulse. Nearly one year ago he and his wife, the former Jeanne Bright, a reporter and writer in her own right, transferred to AP Frankfurt, where they live in an old but charming villa on the edge of a forest.

He has seen and talked with many world statesmen and military musclemen—Churchill, Khrushchev, Bulganin, Adenauer, De Gaulle, Ben Bella, Habib Bourguiba. The list is long. And eventually, where?

It may be County Galway in Ireland, where he managed a few years ago to buy some frontage on a beautiful lake. He found it on a vacation trip.

"It was the first time in 40 years any property there had changed hands," he reported. "If my name hadn't been O'Malley, and I hadn't chanced to have a little workout first with the Blarney Stone, I'd never have got it."

[From the Butte-Anaconda (Mont.) Standard, Oct. 8, 1967]

FIVE UM ALUMNI WILL RECEIVE DISTINGUISHED SERVICE AWARDS

MISSOULA.—Five alumni whose varied careers have brought recognition to the University of Montana will be honored with the presentation of the Alumni Association's highest accolade, the Distinguished Service Award.

The presentation will be one of the highlights of the University's Homecoming, Oct. 20–21.

The awards will be given in front of the University's Main Hall at the traditional Singing on the Steps which will begin at 7:15 p.m. Oct. 20, Hugh Edwards, executive secretary of the Alumni Association, has announced.

The five honorees are:

Robert C. Hendon, who received a bachelor of arts degree in journalism from the university in 1931 and graduated from the UM Law School in 1934. He served with the Federal Bureau of Investigation for 13 years as a special agent and officer in charge of various

divisions, and as administrative assistant to J. Edgar Hoover. In 1947 he joined the Railway Express Agency in New York City. He left REA for a short time in 1950 to become an assistant to the president and director of personnel for the Mathieson Chemical Corp. in Baltimore. He rejoined REA and is vice president in charge of industry affairs of the executive department and president of REA Seven-Arts Transvision. He also is president of the UM Foundation and will be master of ceremonies at the Montana Mansfield dinner Oct. 14 in Helena.

Anne C. Kimball, who received a bachelor of science degree in biology in 1929 from the University. Dr. Kimball concentrates her efforts on toxoplasmosis, which is the study of a diseased condition resulting from the presence of parasites that act primarily on the nervous system. In 1951 she spent a month in Geneva with the World Health Organization before being sent to Burma for 18 months. In Burma she did considerable study on toxoplasmosis. In 1963 she joined the Department of Medicine at Cornell Medical College as an assistant professor. Dr. Kimball is the sister of the late Mary Kimball, who received the Distinguished Service Award in 1962.

Joseph E. McDowell, who received a law degree from the UM Law School in 1938. He was an attorney in the Department of Justice and served four years in the infantry during World War II. In 1950 he returned to Germany on the staff of John J. McCloy, U.S. high commissioner for Germany. Subsequently he was a partner in the law firm of Cummings & Sellers, Washington, D.C. Since March 1961 he has been president of Servomation Corp., New York City. He is a trustee of the UM Foundation and a member of the Church-State Committee of the American Civil Liberties Union.

Richard K. O'Malley, ex-1935, who attended the UM School of Journalism. He began his newspaper career in 1932 with the Missoulian-Sentinel at Missoula. From 1937 to 1941 he worked for the Helena Independent. He was with the Great Falls Leader from 1941 to 1942 before joining the Associated Press in Helena in 1942. A World War II correspondent, he has been assigned to Berlin, Frankfurt, Moscow, London, Geneva and Cyprus. He was made chief of the AP bureau in Paris in 1959, a post he held until this year when he was appointed chief of the AP bureau in Frankfurt.

Gordon Rognlien, who received a law degree from the University in 1930. Now a Kalispell attorney, Rognlien is a former student body president of the University. He was the county attorney for Kalispell from 1934 to 1943. He served on the Judge Advocate General's staff in San Francisco to 1946. In 1949 he and Marshall Murray set up a law partnership in Kalispell. He is now associated with the firm of Rognlien, Hash and O'Brien in Kalispell.

He is district governor of Rotary, past president of the Alumni Association, past president of the Montana Bar Association and past president and charter member of the UM Foundation.

THE DANGER OF INFLATION

Mr. DIRKSEN. Mr. President, for a period of 8 days, the Chicago Tribune published editorials dealing with the danger of inflation in our country. The first seven editorials were entitled "How Sound Is Your Dollar?"; the eighth editorial summed up the great danger which we face because of the continuing inflation.

I commend this great newspaper for bringing to the attention of its readers the menace of inflation and the great harm it is causing our people. Because I feel these views should have wide publicity, I ask unanimous consent that the editorials be printed in the RECORD.

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

[From the Chicago Tribune, Oct. 29, 1967]

HOW SOUND IS YOUR DOLLAR?

Lenin, the evil genius of the Russian revolution, contended that the United States could be forced to spend itself into a revolutionary crisis. "The best way to destroy the capitalist system," he wrote, "is to debauch the currency."

What is happening to our currency? How valid is the familiar standard of comparison, "sound as a dollar"? Is it still, in Washington Irving's words, "the almighty dollar, that great object of universal devotion"? If so, why have foreigners converted more than 10 billion of their surplus dollars into gold since 1952 and reduced the United States gold reserve to 13 billion dollars?

Responsible bankers and economists tell us that inflation is not simply a possible danger—something we may have to worry about in the future—but is hurting us now. Officials of the Johnson administration say the deficit in this fiscal year may reach 29 billion dollars unless Congress votes a tax increase. Others believe the deficit may be much larger. Unless this deficit is financed by printing new money, which would greatly increase the rate of inflation, the government will have to pay record-high interest rates to sell its bonds, in competition with private borrowers, in a money market that is already squeezed. Clearly we are facing a money crisis.

Because this problem vitally concerns the welfare of all the people, the editor has decided to devote the entire space normally reserved for editorials of THE TRIBUNE for seven days, beginning today, to a special report on the money crisis.

We are moved by a sense of public responsibility to do this. It is not a pleasant undertaking. The "pursuit of happiness" is an American ideal, and the vision of an "affluent society" is far more agreeable than the specter of ruinous inflation. Moreover, those who are not absorbed in the pursuit of happiness have other things besides the value of the dollar to worry about, such as the manifestations of moral decay and disintegration which some of our social philosophers ascribe to the affluent society.

What we are attempting to do is not easy, either. If readers believe we are exaggerating the menace they will doubt our credibility. If we are too restrained they may wonder whether there is anything to be concerned about.

People don't worry much about the purchasing power of the dollar so long as they have enough dollars to spend. It is comforting to be told that the "gross national product of goods and services" [GNP] increased 15 billion dollars in the third quarter of 1967 to an annual rate, seasonally adjusted, of 790 billion dollars—an average of $3,950 a year for 200,000,000 Americans. But inflation accounted for more than half of this increase in the GNP, which is simply the sum total of all spending. The GNP would be doubled overnight if the dollar were devalued by 50 per cent. The GNP per capita in 1966 was $3,757, but compared with 1940 dollars it was only $1,619. Even in constant prices, however, the per capita GNP was more than twice as high in 1966 as the average of $761 in 1940.

There are various measures of the rate of inflation, but the consumer price index, published by the bureau of labor statistics, is the most meaningful for most citizens. It is based on the average cost of a long list of representative items purchased in American cities. In August, the dollar was worth 41.5 cents, compared with its purchasing power in January, 1940. The consumer price index rose only 1.3 per cent a year from 1959 thru 1965, but in 1966 it climbed nearly 3 per cent and since May of this year the annual rate of increase has been 4.5 per cent. The rate may go much higher next year, especially if the federal deficit is financed mainly by pumping out fresh supplies of money. When inflation reaches a rate of 4 or 5 per cent a year it begins to feed on itself. The people rush to buy things they want before the price becomes prohibitive.

The classic definition of inflation is "too much money chasing too few goods." This is called "demand-pull" inflation. Another kind is called "cost-push" inflation. Powerful labor unions push wages up faster than productivity increases and big corporations pass their increased costs along to the consumers. The United States has had both kinds, but the trouble since 1965 has been "cost-push" inflation. Industry has been operating at 10 to 20 per cent below capacity, so there is no general shortage of goods. Settlements in the railroad and Ford Motor Co. strikes have established a pattern for labor cost increases of 6 per cent a year.

The great danger is that deficit financing will add "demand-pull" to "cost-push" inflation. Then it could run away with most of the nation's dollar assets unless totalitarian controls were adopted to suppress it. We could lose our economic freedom that way.

Inflation eats up savings and all fixed-dollar assets, such as life insurance reserves, pension and retirement funds, mortgages, government and corporation bonds, and bank deposits. Hundreds of billions of dollars of such assets already have been wiped out by the 58.5 per cent decline of the dollar since 1939.

Inflation hurts everybody, but pensioners and others with fixed incomes, as well as salaried white-collar workers, are the first to suffer. Wage increases obtained by the labor unions may keep pace with living costs for a time, but in a runaway inflation the social order is disrupted and almost all of the people are impoverished. That is what happened in Germany from 1920 to 1923, when prices increased a trillion-fold. Women standing in line in food stores watched a constantly changing price table and the cost of their purchases often doubled or tripled before they could reach the cashier.

There are no safe income-producing hedges against inflation. In the earlier stages of the German inflation common stocks advanced more rapidly than the depreciation of the paper mark, but in later stages wholesale and retail prices rose more rapidly than stocks.

Economists disagree about the effect of deficit financing on the business cycle. Some believe the boom is over and that we face a severe slump. Others believe a slump can be avoided by a vast expansion of the money supply and bank credit to finance the deficit. This might be more disastrous than a slump. We have no crystal ball and we make no predictions. We have consulted monetary authorities and other officials, economists, and bankers in Washington, New York, Chicago and Zurich, Switzerland, however, and there is general agreement that the present rate of deficit spending is extremely dangerous. We report the facts of this frightening situation to alert the people. They can stop this reckless deficit spending if they want to. The way to stop it is to cease clamoring for more and more federal spending programs and to put pressure on Congress to stop voting for them.

[From the Chicago Tribune, Oct. 30, 1967]

HOW SOUND IS YOUR DOLLAR?

The shepherd boy of folklore had warned so many times that the wolf was coming that nobody believed him when the wolf finally came. So it is with those who have been warning for years that deficit spending would produce a financial crisis in this country. When they use the word "crisis" their credi-

bility is doubted. But the crisis is here, now. The wolf of inflation is no longer creeping at a stealthy rate of 2 to 3 per cent a year; he is boldly striding at an annual rate of 4½ per cent and threatening to become voracious enough to eat up most of the nation's dollar assets.

THE MONEY CRISIS

Responsible officials in Washington frankly acknowledge that monetary policy in this country is no longer controlled by the federal reserve system, which was established by law to maintain an "elastic" but sound currency. Monetary policy is controlled by fiscal policy [spending], which in turn is controlled by the politicians. The politicians are committed to a policy of "guns and butter," of a "war on poverty" concurrently with the war in Viet Nam, of constantly expanding government and continuously rising deficits. Officials of the Johnson administration warn that the deficit in fiscal year 1968, ending next June 30, may reach 29 billion dollars without a proposed 7.4 billion dollar tax program, which has been rejected by the House ways and means committee.

Others believe the deficit may be considerably larger. European bankers told American representatives at the recent annual meeting of the World Bank and International Monetary fund in Rio de Janeiro that they expect the United States deficit in fiscal year 1968 to reach 35 or 40 billion dollars. For the first time at one of these annual meetings European bankers, in private conversations, said they no longer believe budget estimates announced by the United States government.

The credibility of official budget estimates has been impaired by this country's chronic deficits, both in its domestic and its international accounts. As Dr. Robert V. Roosa, former undersecretary of the treasury, said in a recent lecture, "a country whose external accounts are seriously and continually out of balance often has something going seriously awry within its own economy." The accumulated deficit in the United States balance of payments position from 1950 thru 1966 was 33.3 billion dollars, and it is continuing at an annual rate of more than 2 billion dollars.

As a result of this persistent deficit, the United States gold reserve decreased from 23.252 billion dollars at the end of 1952 to 13.075 billion at the end of August, 1967, when United States liabilities to foreigners—payable in gold—exceeded 29 billion dollars. The depletion of our gold reserve, which now is considerably less than half of the total of foreign claims against it, is psychologically inflationary; it weakens confidence in the dollar. The main cause of inflation, however, is deficit spending. The government finances its deficits by selling bonds and other instruments of indebtedness, which become the basis for a vast expansion of paper currency and bank credit.

The federal debt on Oct. 12 was 339.752 billion dollars. The interest alone on this colossal debt was estimated, in the President's budget submitted to Congress last January, at 14.050 billion dollars in this fiscal year, but it is likely to be close to 15 billion because of rising interest rates and much heavier spending than the President predicted.

The growth of the federal debt has been attended by a steady erosion of the purchasing power of the dollar. As reported by the labor department's bureau of labor statistics, the consumer price index, representing average costs of all items purchased in United States cities, was 116.9 [1957–59 equals 100] in August. On the same 1957–59 base, the index for January, 1940, is 48.5. Thus in August of this year the dollar was worth 41½ cents compared with January, 1940.

Leif H. Olsen, senior vice president and economist of New York's First National City bank, told the National Industrial Conference board on Oct. 3 that "we have been experiencing an unacceptable rate of inflation for two years now." He said the consumer price index rose only 1.3 per cent a year from 1959 thru 1965 but climbed nearly 3 per cent last year. Despite a near-recession, inflation in the first half of this year eased off only slightly, to a 2.5 per cent annual rate. Since May 1, Mr. Olsen noted, "the rise in consumer prices has spurted to a 4½ per cent annual rate," He warned that both inflation and high interest rates are "already with us" and are "likely to move higher" as the "federal reserve pumps out new money to finance the federal deficit."

Mr. Olsen also warned that the money supply, broadly defined to include time deposits as well as currency and demand deposits, has been growing at a record annual rate. On Aug. 30 the total was 357.2 billion dollars, consisting of 39.6 billion in currency, 139.5 billion in demand deposits, and 178.1 billion in time deposits, all seasonally adjusted.

"From December last year thru August of this year the annual rate of increase was more than 12 per cent, over half again the average rate of increase from 1961 thru April of 1966," Mr. Olsen said. "Total commercial bank credit, that is loans and investments, increased in the first eight months of this year by 16 billion dollars. Seasonally adjusted, this amounted to an annual rate of increase of 41 billion dollars, or 13 per cent; the previous record gain in growth of bank credit was 25 billion dollars in 1965."

A federal deficit of 25 or 30 billion dollars would require a far more inflationary expansion of the money supply unless the Fed should decide to raise interest rates much higher. The easy money politicians would resist higher interest rates. Moreover, it is doubtful that the Fed could finance such an enormous deficit, even with higher interest rates, without a vast expansion of the money supply.

As Dr. Roy L. Reierson, senior vice president and economist of the Bankers Trust company, told the National Industrial Conference board, chronic deficit spending "gives rise to . . . persistent and spiraling inflation, tight credit, and high interest rates, repeated crises and unsettlements in the credit markets, abandonment of any hope for the balance of payments, and the real possibility of a major dollar crisis."

No responsible economist or banker believes there is imminent danger of hyperinflation in this country, such as occurred in Germany after World War I and China after World War II. In the German inflation of 1920–23, prices increased a trillion-fold. In such a cataclysmic inflation whole classes are impoverished and the social order is destroyed. Altho there is no imminent or unavoidable danger of such a terrible catastrophe in the United States, the peril is clear, present, and great. Even creeping inflation, at a rate of 3 per cent a year compounded, doubles prices in 23 years. Once the rate increases to 4 or 5 per cent and the people become convinced that continued rising inflation is inevitable, they accelerate it by trying to evade it or hedge against it. They spend their savings and even go into debt, bidding up prices for stocks, real estate, commodities, new cars, and other costly things.

A tax increase would reduce the deficit and thus would have some effect on the rate of inflation. But taxes themselves are inflationary because they increase production costs, consumer prices, and demands for higher wages. The Johnson administration has argued that its proposed surtax of 10 per cent on the income tax liability of corporations and individuals would not affect married couples with two children earning $5,000 a year or less, or single persons earning $1,900 or less, because of personal exemptions. This argument is as false as it is demagogic. Taxes are paid by all the people, regardless of their income, when they buy bread and the other necessities of life.

Colin Clark, of Oxford university, one of the world's most distinguished economists, contends that "25 per cent of the national income is about the limit for taxation in any nontotalitarian community in times of peace." The rate in the United States in 1966 was 36.9 per cent. The national income was 616.7 billion dollars, receipts of the federal government were 143.2 billion, and receipts of the state and local governments were 84.7 billion. The nation's imperative need in the present crisis is not higher taxes but a reduction of spending. Rep. Wilbur D. Mills [D., Ark.], chairman of the ways and means committee, wisely justifies the refusal of the House to vote new taxes on the ground that "we want to pause in this headlong rush to ever bigger government." The objective, he says, is not simply to cut federal spending this year and next year, desirable as that may be, but to establish control over the amount and character of federal spending in the future. He emphasizes that basic changes in federal programs are necessary, and demands responsible leadership by the executive branch in the formulation of such changes.

[From the Chicago Tribune, Oct. 31, 1967]

HOW SOUND IS YOUR DOLLAR?

White officials of the Johnson administration have been calling for a tax increase to restrain inflationary pressures, the federal reserve system has been pumping out fresh supplies of money at an unprecedented rate to expand the already overheated economy.

PRINTING PRESS MONEY

Leif H. Olsen, senior vice president and economist of New York's First National City Bank, calls this curious spectacle "the great economic paradox of 1967." It is significant, he says, that the two leading schools of economic theory now agree that the economy is being overstimulated. One school consists of the so-called "new" economists—Keynesians and neo-Keynesians—who advocate deficit spending to stimulate economic expansion, full employment, and prosperity. The other school, headed by Prof. Milton Friedman, of the University of Chicago, advocates a continuous but limited expansion of the money supply—3 to 5 per cent a year—to maintain orderly economic growth. From December, 1966, thru August of this year the money supply, broadly defined to include time deposits as well as currency and demand deposits, increased at a record annual rate of 12 per cent.

The federal reserve board's easy money policy in the face of a federal deficit that may exceed 30 billion dollars in this fiscal year is viewed with increasing concern by bankers and business men. Even William McChesney Martin, Jr., esteemed chairman of the Fed's board of governors, is accused of going along with a reckless policy of financing the deficit by printing new money.

For many years Mr. Martin has been regarded as the personification of sound money—a mighty bulwark against the deluge of inflation—and has been as immune from attack as J. Edgar Hoover, heroic defender of the nation from communist infiltration and subversion. But Barron's National Business and Financial Weekly charged in its issue of Oct. 9 that the nation's money managers, under Mr. Martin's leadership, "have pursued an almost fanatical easy credit policy, a reckless course that has ceaselessly worked to lower the purchasing power of the currency at home and debase its standing abroad."

Some leading bankers agree with this judgment of the Fed but tend to excuse Mr. Martin. They point out that he has only one of seven votes in the board of governors of the federal reserve system and one of 12 in the federal open market committee, both of which are dominated by easy money pro-

ponents. At a meeting of the open market committee on May 23, the chairman went along with the "liberals," voting for a "policy to foster money and credit conditions, including bank credit growth, conducive to renewed economic expansion." Darryl R. Francis, president of the St. Louis federal reserve bank and a member of the open market committee, voted against this policy directive on the ground that both monetary and fiscal policies had been highly stimulative and that some firming in the money market was needed to guard against inflationary pressures later in the year.

The Fed adopted a restrictive money policy in 1966, which resulted in an excessive accumulation of inventories and depressed the market. Altho the money managers switched to an expansive policy in December, the lag effect of the earlier tight money policy caused a near-recession in the first half of this year. Just as the full effect of the restrictive policy last year was not felt until this year, the full effect of the inflationary policy this year will not be known until next year. In spite of this danger, the money managers, with Chairman Martin's acquiescence, persist in their policy of expansion.

Actually the monetary authorities have no real choice. Control of monetary policy has passed into the hands of the politicians, and that is the most frightening aspect of the financial problem. If the President demands and Congress votes appropriations which will result in expenditures of 25 to 30 billion dollars in excess of revenues, government obligations must be sold to finance the deficit. If they cannot be sold to individuals and nonbanking institutions, they must be sold to the banks. When serious inflation is present or threatened, investors are reluctant to buy fixed-income, longer-maturity securities, such as mortgages, municipal bonds, and treasury issues. To make government securities attractive to individuals and nonbanking institutions, the Fed would have to push interest rates up to intolerable heights. The tug of war between government and private borrowers would be intensified. There would be no mortgage money for housing.

The only alternative to a restrictive, high-interest rate policy is to pump reserves into the banking system and force it to buy the government's bonds. In effect, this amounts to printing new money.

In a statement to the House ways and means committee, Chairman Martin strongly supported the President's proposal for tax increases. He said we already have "clear and compelling evidence of a resurgence in inflationary pressures which, if unchecked, would curtail domestic expansion, aggravate an already serious balance of payments problem, and bring severe strains in the markets for credit." Instead of a reduction in government spending, however, he argued for a tax increase.

Mr. Olsen told the National Industrial Conference board that increasing taxes while continuing an expansive monetary policy would be similar to applying the brakes on a speeding automobile while keeping the accelerator on the floor. "A tax increase may well help to slow things down," he said, "but the real help will come when monetary policy is permitted to become somewhat less stimulative by having less federal debt to finance."

This would require a reduction of spending. The cost of the war in Viet Nam has reached an annual rate of 27 billion dollars [2¼ billion a month] and is likely to go higher unless the administration eventually decides to end it by winning it. All wars are wasteful, but there is no realistic hope for substantial savings in Viet Nam if we give our fighting men the support they deserve.

There are opportunities, however, for reductions of billions of dollars in civilian spending. The budget submitted to Congress last January estimated expenditures on civilian programs at 59.5 billion dollars. Henry Fowler, secretary of the treasury, told the ways and means committee that the January estimates may be exceeded by 2.5 billion dollars. Others believe the Johnson administration will ask Congress to vote huge new appropriations for spending programs in the cities next year, an election year, because of threats of black power demagogs to incite insurrections that will make last summer's violence in Newark, Detroit, and other cities look like mere tryouts.

Fowler said total expenditures in fiscal 1968 may be 8.5 billion dollars higher than the estimate of 135 billion in the President's administrative budget, submitted to Congress last January. Revenue estimates have been revised downward by 7 billion. Without a tax increase, Fowler said, the deficit could rise to 29 billion dollars.

There is a highly significant item called "transfer payments" in the government's national income account, which is reported in the commerce department's "Survey of Current Business." These are called transfer payments because the money is transferred from the pockets of one group of citizens to those of another—from the productive to the nonproductive. They include social security and other pensions, as well as welfare payments, but the pensions have to be paid out of current income, because there are no reserves for them. The total of all transfer payments, including 1.8 billion dollars in state unemployment insurance benefits, was 43.9 billion dollars in 1966. In 1967 the seasonally adjusted annual rate was 50.8 billion dollars in the first quarter and 51.4 billion in the second quarter. This is one measure of the rate at which the United States is becoming a socialist welfare state. Another measure is the tax rate—total federal, state, and local tax collections as a percentage of national income—which in 1966 was 36.9 per cent. Still another is the rate of inflation. In August of this year the dollar was worth 41½ cents compared with its purchasing power in January, 1940, and in recent months consumer prices have been rising at the annual rate of 4½ per cent.

These are trends that disturb Rep. Wilbur D. Mills [D., Ark.], chairman of the ways and means committee, who says there must be "basic changes in federal programs, not merely appropriation cuts this year," before Congress increases taxes. They are trends that should disturb all Americans.

[From the Chicago Tribune, Nov. 1, 1967]

HOW SOUND IS YOUR DOLLAR?

There are two deficits, closely related and mutually aggravating, which debase the domestic purchasing power and discredit the international standing of the United States dollar. One is the deficit in the federal budget and the other is the deficit in the international accounts of the United States.

AS GOOD AS GOLD?

We have a substantial tho declining surplus in foreign trade, but because of foreign aid, military expenditures overseas, tourist spending, foreign investments, and other dollar outflows, there is a chronic deficit in our total international transactions. Beginning in 1950, the United States has had a balance of payments deficit every year except 1957, and the accumulated net total at the end of 1966 was 33.339 billion dollars. The deficit, seasonally adjusted, was 536 million dollars in the first quarter and 513 million in the second quarter of 1967; so the total this year may exceed 2 billion dollars.

The balance of payments deficits have been financed in part by the payment of gold to foreigners and in part by the increase of our indebtedness to foreigners. The United States gold stock declined from 24.6 billion dollars at the end of 1949 to 13.04 billion on Aug. 30, 1967. Meanwhile, United States liquid liabilities to foreigners increased to 29.596 billion dollars in June. Altho only 14.069 billion of this was held by foreign official institutions and therefore immediately convertible into gold, the dollar holdings of private banks and other foreigners can readily be transferred to their central banks for conversion into gold.

Thus foreigners could draw out the entire gold reserve of the United States at their discretion or else discredit the dollar by forcing this country to suspend gold payments. They have not done this because such a raid on the dollar would adversely affect their own currencies and economies. The dollar is an international currency. More than half of all international transactions are denominated in dollars. So long as the United States is willing and able to buy or sell gold at 35 dollars to the fine ounce troy, the dollar is as good as gold.

Many foreign bankers are convinced, however, that the United States, in spite of official protestations to the contrary, eventually will be compelled to suspend gold payments or devalue the dollar by increasing the price of gold. If this opinion gains credence, the foreigners may start a run on the United States gold stock, just as a run on a bank is started when the word gets around that its condition is shaky. If the price of gold were doubled, the dollar holdings of foreigners in the United States would lose half their value.

West European countries which enjoy surpluses in their international transactions and have accumulated large gold and dollar reserves are increasingly insistent that the United States must put its house in order. Their attitude was reflected in the 1965 annual report of the Bank for International Settlements, which declared that, "after an extended series of external deficits, the reserve position of the United States needs to be strengthened to restore full confidence in the dollar." If the United States does not solve its balance of payments problem, confidence in the dollar will be further impaired and there will be great danger of a run on our gold stock, as well as forced devaluation of the dollar.

The balance of payments deficit increases inflation in the United States by draining off gold and eroding confidence in the dollar. In addition to this, foreign holdings in the United States resulting from the balance of payments deficit include more than 15 billion dollars in bank deposits, which are part of the inflationary money supply.

Inflation in turn has a major effect upon the balance of payments deficit. High production costs are pricing the United States out of the markets of the world and our trade surplus is rapidly declining. The surplus will decline further and may be wiped out if the rate of inflation increases, for imports always go up with inflation. From 6.7 billion dollars in 1964, the trade surplus declined to 4.8 billion in 1965 and to 3.7 billion in 1966. The surplus was up to an annual rate of 4.2 billion in the first half of 1967, but this rate may not continue because of declining exports to Britain and Germany, which have had recessions.

Actually it is doubtful that the commercial exports of the United States balance its imports. If exports that are subsidized under the foreign aid program and military equipment sales by the government were deducted from the so-called surplus, it probably would disappear. Foreign aid of all kinds, economic and military, now exceeds 6 billion dollars a year. The administration argues that 87 per cent of all foreign aid expenditures are for American goods and services and that the effect on the balance of payments is negligible. It is obvious, however, that nations receiving this aid can use the foreign exchange it saves them for the purchase of goods and services from other countries. Otherwise this foreign exchange might come to the United States.

Instead of reducing foreign aid to balance our international accounts, the government has resorted to the shortsighted expedient

of restricting profitable private business with foreigners. There is a so-called interest equalization tax on purchases of foreign securities. Under a so-called voluntary restraint program, the federal reserve board limits bank loans to foreigners and the commerce department limits direct foreign investments by American companies. As a result of this program, the total outflow of private capital declined from 6.5 billion dollars in 1964 to 3.7 billion in 1965 and rose only slightly to 4.1 billion in 1966. The annual rate so far this year has been about the same as in 1966.

This policy is self-defeating, for the repatriation of United States earnings from direct investments abroad has exceeded the investment outlay from the United States every year since 1945. In 1964, the last year for which the figures are at hand, the inflow to the United States was 4.5 billion dollars and the outflow was 2.4 billion. In 1960 United States corporations invested 4 billion dollars in fixed assets abroad, but 56 per cent of this came from retained earnings and borrowings abroad. In 1966 the investment total was 9 billion dollars, but 70 per cent of it came from retained earnings and borrowing abroad.

Americans spend about 2 billion dollars a year more on foreign travel than foreign tourists spend in the United States. This is a substantial item in the adverse payments balance, but any limitation on the freedom of Americans to travel and spend their money abroad would be widely resented. Duty-free imports of tourist purchases already are limited to $100.

From 1960 thru 1966 about 70 per cent of the direct cost to the United States government of maintaining its troops in Germany was offset by the sale of military equipment to Germany. This year Germany agreed to purchase $500,000,000 of long-term United States bonds and the total offset, including military purchases, is expected to be 100 per cent. The German purchases offset expenditures by the United States government, but there is still a big dollar loss thru spending by the troops, who exchange some of their dollars for marks in Germany and for other European currencies when they go on leave.

This dollar loss could be stopped only by bringing the troops home, and this would be prudent, both strategically and economically. The prosperous western European countries, which rely mainly upon the United States nuclear deterrent for their defense against communist aggression, certainly could replace the American ground forces with troops of their own. Moreover, the Germans are fully capable of developing their own nuclear deterrent, as the French are doing, and it makes no sense to restrain them from acquiring weapons which the enemy already has.

The dollar loss in Viet Nam from all sources is estimated at 2 billion dollars a year. The troops are paid in military payment certificates [scrip], which is the only currency accepted in United States installations, but they exchange some of their scrip for piasters to spend in Saigon and other cities. The United States buys these piasters with dollars, which the government of Viet Nam is supposed to use to pay for imports from the United States. Undoubtedly, however, there is a big leakage, just as there is a big dollar leakage in foreign aid to Viet Nam, in spite of all efforts to prevent it. Some of these dollars find their way into the hands of French business men and end up in Paris. Moreover, the troops in Viet Nam are given dollars to spend when they go on "R and R" [rest and recreation] in Bangkok, Singapore, Hong Kong, Manila, or Taipeh.

There is not much more that can be done to plug the dollar leaks. The only way the United States can solve its balance of payments deficit is to put its house in order by ending deficit spending—on foreign aid, among other things—which is the cause of inflation, of the loss of foreign markets, and of the steadily worsening dollar crisis.

[From the Chicago Tribune, Nov. 2, 1967]

HOW SOUND IS YOUR DOLLAR?

Foreign aid is a major reason why your dollar is losing its purchasing power and the debt-burdened, deficit-ridden United States is in the throes of a money crisis. Foreign aid, including interest on the money we have borrowed to give away, now costs the American people more than 10 billion dollars a year.

A table submitted by the government to a House appropriations subcommittee shows that foreign aid of all kinds, economic and military, grants and loans, from 1946 thru 1966 [fiscal years], totaled 122 billion, 365 million dollars. The net total, after all interest and principal payments on loans, was 108 billion, 867 million dollars. Rep. Otto E. Passman [D., La.], chairman of the subcommittee, has since been advised that the net total thru fiscal year 1967 is 114 billion, 694 million dollars.

THE GLOBAL GIVEAWAY

Rep. Passman calculates the total cost of foreign aid since 1946, including interest the government has paid on money borrowed to give away, as 152 billion, 533 million dollars. The net total of 114 billion, 694 million—not counting the interest already paid on it—is more than one-third of the present federal debt of 340 billion dollars. Hence more than a third, or almost 5 billion dollars, of the interest cost of the federal debt—officially estimated at more than 14 billion dollars this fiscal year—must be attributed to foreign aid. New grants and loans to foreign countries now exceed 6 billion dollars a year, and the net total, after all interest and principal payments, is well over 5 billion. Thus the total cost of foreign aid, including interest on the debt, is more than 10 billion dollars a year.

The total public debt of all the other noncommunist countries of the world, according to the latest figures Rep. Passman could get from the executive agencies of the government, is 248 billion dollars, 92 billion less than that of the United States. Yet the United States this year, 22 years after foreign aid began as a post-war emergency relief program, is dissipating its national resources and loading unborn generations with debt by extending assistance of some kind to 100 countries and five territories.

When this unexampled giveaway madness began in 1945 the dollar was still worth 77.3 cents, compared with its purchasing power in January, 1940, in spite of war time inflation, but by August, 1967, it had declined to 41.48 cents. Meanwhile the United States had accumulated a new deficit of 33.3 billion dollars in its international balance of payments position by the end of 1966; its gold stock had declined from 24.6 billion dollars at the end of 1949 to 13 billion in August, 1967, and its liquid liabilities to foreigners, payable in gold, had increased to 29.5 billion dollars. Now the United States is facing a federal deficit that may exceed 30 billion dollars in this fiscal year, accelerated inflation, and a money crisis that could induce foreigners to start a run on our remaining gold stock.

Rep. Passman charges that the foreign aid program has been "fragmentized" to confuse the people. He says the aid flows from 16 different "spigots," and that each year Congress is asked in more than a dozen items of proposed legislation to increase the spending or lending authority of the dispensing agencies.

What the public hears most about is the President's annual request for authorizations and appropriations under the Foreign Assistance act. This year the President requested 3.226 billion dollars in new funds, and Congress may reduce this by almost a billion dollars, but it will make little difference. There are too many other programs, such as "food for peace," the Export-Import bank, military assistance, and aid thru international agencies, and too many billions of dollars of unexpected balances available to the aid bureaucracy. Yet irresponsible Washington reporters write about the annual "foreign aid" bill of 3 billion dollars or less as if it were the sum total of foreign aid, and this phony figure sticks in the minds of the people. The table submitted to the House subcommittee shows that economic and military assistance of all kinds, including loans and grants, totaled 6.376 billion dollars in fiscal 1962, 6.738 billion in fiscal 1963, 6.134 billion in fiscal 1964, 6.140 billion in fiscal 1965, and 6.751 billion in fiscal 1966.

Secretary of State Dean Rusk told the House subcommittee that foreign aid "transfers United States skills and commodities—not United States dollars—to the less developed countries and has no significant effect on the chronic balance of payments deficit." This argument, of course, takes no account of what economists call the "substitution effect" of aid and is false. Countries receiving American goods and services under the aid program can use the foreign exchange this saves them—including their dollar earnings from exports to the United States—for the purchase of goods and services from other countries.

Moreover, foreign aid is a major cause of federal deficit financing, which increases inflation and the cost of production and thus adversely affects the competitive trade position of the United States. Our trade surplus, which declined from 6.7 billion dollars in 1964 to 4.8 billion in 1965 and 3.7 billion in 1966, falls far short of offsetting the deficit in our other international transactions.

Testifying before a joint congressional subcommittee on economic policy, Dr. N. R. Danielian, president of the International Economic Policy association, said: "The stark fact is that United States commercial exports are hardly enough to pay for our commodity imports. If you deduct the foreign-aid induced exports and the military hardware sales from export figures, it is doubtful that purely civilian exports and imports are in balance."

Secretary Rusk also told the House subcommittee that foreign aid requests of all kinds for fiscal year 1968 were less than 0.7 per cent of our GNP [gross national product of goods and services], which was swollen by inflation to an annual rate, seasonally adjusted, of 790 billion dollars in the third quarter of 1967.

Without foreign aid, Rusk said, we'd be living in a "less stable and more threatening world." Yet when Congressman Passman reminded him that foreign aid, with interest, had cost 152.5 billion dollars, Rusk said this country, since 1946, "has put more than 900 billion dollars into defense, almost a trillion dollars." When we have to spend that much on defense, it is hard to believe that foreign aid has brought us a more stable or less threatening world.

Another administration argument is that American exports to Europe have increased enormously since the end of the Marshall plan and that exports to Japan have multiplied as a result of our aid. But our imports have increased more than our exports. We still have a favorable balance with Europe—exports of 10.011 billion and imports of 7.863 billion in 1966—but not with Japan, for which the figures in 1966 were 2.964 billion of exports to and 2.365 billion of imports from the United States. If the grant aid of 12.928 billion dollars extended by the United States under the Marshall plan from 1949 thru 1952 and 8.724 billion under the mutual security act from 1953 thru 1957 had consisted of interest-bearing loans, the prosperous countries of Europe, as well as Japan,

would be repaying us now, with interest, and there would be no balance of payments problem. Instead these countries are accumulating huge gold and dollar reserves and exporting manufactured products at prices with which the United States cannot compete.

Although the United States is technologically the most advanced nation in the world, its industrial production costs are so high that it has become primarily an exporter of agricultural products and other raw materials, chemicals, semifinished products, and machinery [an exception to the general trend] and an importer of finished products which require a substantial employment of labor in their manufacture. In 1966 we imported manufactured goods valued at 6.353 billion dollars and machinery and transport equipment valued at 4.827 billion, compared with exports of manufactured goods valued at 3.434 billion and machinery and transport equipment valued at 11.164 billion.

The western European countries agreed to general tariff reductions averaging about 31 per cent in the recent "Kennedy round" of negotiations, but they have erected all kinds of so-called nontariff barriers against American products, such as quotas and internal taxes. As a result of these restrictive trade practices, there is strong support in Congress for a proposed system of quotas to restrict imports of textiles, footwear, steel, electronics, and other manufactured products. This would provide some protection for American industry and labor, but it would increase prices to consumers, provoke reprisals against American exports, and further aggravate the balance of payments problem.

[From the Chicago Tribune, Nov. 3, 1967]

HOW SOUND IS YOUR DOLLAR?

Dr. Hjalmar Schacht, the financial wizard of Hitler's Third Reich, probably would feel vindicated by the artful expedients and quackeries that have been proposed by some of the frenzied financiers in this country to prevent a day of reckoning for the United States dollar.

GOLD AND FOOL'S GOLD

These clever schemes are intended to make it appear that the dollar is as good as gold, although the gold we have left is less than half of the outstanding foreign claims against it. They are intended to conceal the vulnerability of the dollar and the cause of its distress—deficit spending.

Charles Dickens stated the problem as Micawber's law: "Annual income twenty pounds, annual expenditure nineteen nineteen six, result, happiness; annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."

Micawber's law was repealed by the Roosevelt administration in the 1930s and the Keynes law was substituted. In her book, "The Roosevelt I Knew," Frances Perkins thus stated the Keynes law: "With one dollar paid out for relief or public works or anything else, you have created four dollars' worth of national income."

John Maynard [Lord] Keynes, English economist and a major deity in the international lavender set, was "liberally consulted" by "government people" in Washington, according to Miss Perkins, and was convinced that the United States would prove the validity of his prosperity-thru-spending doctrine to the whole world.

Keynes also dreamed of a world central bank, with the power to create new money, an international currency which would replace gold in the settlement of accounts between nations. A long step in that direction was taken by the members of the International Monetary fund at its recent annual meeting in Rio de Janeiro. This scheme provides for the use of S. D. R.s [special drawing rights], called "paper gold," by nations with chronic balance of payments deficits, such as the United States and Gamal Abdel Nasser's United Arab Republic. The S. D. R.s also have been called fool's gold, a term suggesting that they would have about as much value as the iron pyrites which so many deluded prospectors have mistaken for real gold.

If the new scheme is ratified by the I. M. F. member governments, each member will be authorized a certain quota of S. D. R.s. Then if President de Gaulle of France, for example, should continue to demand gold for his country's surplus dollar holdings, the United States—at least, in theory—could pay him off in S. D. R.s. If de Gaulle accepted the S. D. R.s, he could use them to settle France's accounts with any other country that would accept them.

If a nation should overdraw its quota of S. D. R.s, it would be obliged, in due time, to purchase acceptable foreign exchange with its own currency and redeem the overdrafts. The idea is that the S. D. R.s would rest upon the joint and several obligations of all the I. M. F. members and would be "gold-guaranteed," although just how has not been determined.

Bankers we have consulted say this scheme is nothing to be alarmed about because it will never be used extensively. The nations with balance of payments surpluses do not need it and they are not likely to accept "fool's gold" from countries with persistent deficits. Even if the S. D. R.s were acceptable, the United States could not draw too heavily upon them, because that would be a sign of weakness and it might start a run on our remaining gold stock.

Dr. Robert V. Roosa, former undersecretary of the treasury and now a partner in Brown Brothers, Harriman & Co., New York, was one of the original proponents of the international currency scheme. He proposed the use of C. R. U.s [convertible reserve units], which were called "Roosa crusas." Supporters of this proposal were called Roosacrusians, which sounds more like a potty religious sect than a group of responsible monetary authorities.

The international currency proponents have been derided gently by Prof. Milton Friedman, of the University of Chicago, as "able men who spend endless hours trying to devise ingenious means whereby everybody can borrow from everybody else without anybody being committed to lend to anyone." Dr. Roosa, however, seemed the soundest of sound money men in a recent debate with Prof. Friedman, in which he strongly defended the present system of fixed exchange rates, based upon $35 an ounce as the price of gold.

Prof. Friedman, who was described by Dr. Roosa as "one of the world's most distinguished exponents of market economics," said the balance of payments problem "is simply another example of the far-reaching effects of government price fixing." He proposed a system of floating exchange rates, in which the market would determine the parity of the dollar and of all other currencies, and there would be no balance of payments deficit because exporters and importers and other private traders would settle their own accounts. Official foreign exchange reserves are not needed, he said, because private dealers will provide them, just as they do in the free commodity markets.

If the exchange value of the dollar should decline under the floating rate system, American exports would rise, in spite of high production costs, because more dollars could be purchased with English pounds, German marks, French francs, etc. Dr. Roosa argued, however, that such a system would "make for progressive inflation and successive waves of exchange rate depreciation from one country to the next." In a country experiencing rapid inflation, he said, the most likely reaction would "be toward accentuation, not containment, of the exchange rate decline, for the domestic prices of exports could then increase beyond the screen of lower exchange costs to foreigners, import costs would rise, wages would no doubt be raised even further, and a new wage floor would have, in effect, been built under the inflation, already realized."

Many foreign bankers are convinced that the United States will be compelled eventually to increase the price of gold, because the dollar already has lost more than half of the commodity purchasing power it had before World War II and the cost of producing gold, like everything else, has gone up proportionally. This belief is an incentive to foreigners to speculate on a gold price increase, or insure against devaluation of the dollar, and it makes our remaining 13 billion dollar gold reserve highly vulnerable.

William F. Butler and John V. Deaver, vice presidents and economists of the Chase Manhattan bank, have proposed an ingenious plan to protect the gold we have left without devaluing the dollar. In the October issue of Foreign Affairs, they suggest an official declaration that the United States will never support a price higher than 35 dollars an ounce and that this country's response to an assault on its remaining gold stock would be suspension of the privilege foreigners now have of buying our gold with their dollars. Future sales and purchases would be made only at the discretion of the United States, and then only at the fixed price of 35 dollars an ounce.

Butler and Deaver acknowledged that the United States in such circumstances would lose control over the price of gold and over the foreign exchange value of the dollar. But they argue that foreigners would either have to support the dollar at the present rate, which would be the same as going on a full dollar standard, or else at a devalued rate, which would put European exporters at a competitive disadvantage. Moreover, Europeans would take a huge loss on their dollar holdings if the exchange rate were devalued.

Butler and Deaver are persuasive, but they concede that the United States, despite its great economic power, "can no longer call the tune." Certainly it will be increasingly difficult for the United States to call the tune on gold, because the world supply is so small and the demand is so great. Gold sells for the equivalent of 70 to 75 dollars an ounce on the Bombay market. The total reserves of all the non-communist countries in December, 1966, were estimated at 43.225 billion dollars. World production outside of the communist countries totaled 1.445 billion dollars in 1966. The major producers are the Soviet Union and South Africa [1.080 billion dollars in 1966], followed by Canada [114.6 million dollars] and the United States [63.1 million dollars]. New production is barely sufficient to supply the increasing needs of industry. The United States may have to subsidize domestic production of gold for industrial use, for some of the mines cannot operate profitably at the government's fixed price.

[From the Chicago Tribune, Nov. 4, 1967]

HOW SOUND IS YOUR DOLLAR?

There is not much an individual can do to stop inflation—unless he happens to be President of the United States. If enough people are sufficiently concerned, however, they can stop federal deficit spending—the main cause of inflation—by sending a torrent of letters and telegrams to their senators and representatives in Congress, demanding an end of the reckless practice of voting appropriations that vastly exceed any reasonable expectation of revenues. A list of senators and representatives from five midwest states will be found on page 2.

We have asked leading Chicago bankers what can and could be done to halt inflation, which has reduced the value of the dollar by

58.5 per cent since January, 1940, and is rapidly getting worse as the federal reserve system pumps out fresh supplies of printing press money to finance a deficit that may exceed 30 billion dollars this fiscal year.

WHAT CAN WE DO?

Here are their answers:

Beryl W. Sprinkel, vice president and economist, Harris Trust and Savings bank: "The source of the current serious inflation is clearly overexpansive governmental economic policies in the monetary and fiscal areas. Economic policies are now the most expansive since World War II, despite the fact that the economy is fully employed and prices are rising rapidly. Hence, the prospect is for substantially greater increases in total spending in the coming year than in the production of real goods and services. Therefore, price pressures will be sizable.

"What can now be done to bring the inflation under control? Clearly the leadership for this action must emanate from government. So far this year the money supply has been rising at about a 7 per cent annual rate, at least twice too much for price stability. At the same time, the budget deficit has continued to increase as both defense and nondefense spending has risen.

"Strict control of federal spending, accompanied by a possible tax increase, is a desirable ingredient in slowing the inflationary push. Of equal or greater importance is a reduced rate of monetary growth emanating from a less expansive monetary policy. Undoubtedly, monetary policy has been this expansive primarily because of concern about rising interest rates and the problems created both for the housing industry and the financing of the federal deficit.

"Unfortunately, when rapid monetary increases occur at full employment and inflation develops, an easy money policy causes high rates of interest after the money begins to be spent. On the other hand, the beginning of the less expansive money policy in an effort to slow the inflation would, in the short run, means even higher interest rates.

"There is little that the individual can do to slow the inflationary surge other than to urge his elected representatives to pursue less expansive monetary-fiscal policies in this day of full employment and rising prices."

Tilden Cummings, president, Continental Illinois National Bank and Trust Company of Chicago: "Inflation has once again become one of our most serious economic problems. Efforts to curb the rapid advance in prices have been half-hearted at best and will continue to be ineffective unless the administration, Congress, labor, and management combine to bring the dangerous trend to an early halt.

"The current inflationary trend must be attributed to monetary and fiscal policies inappropriate for a war economy. Clearly, the need now is for a sharp reduction in the huge and unsettling budget deficit thru cuts in such nondefense expenditures as harbor and river development, road construction, dams, aero-space, agriculture, and termination of the numerous programs that have outlived their usefulness. Where cuts are not immediately feasible, deferment of projects must be considered. It is entirely possible that cuts could be made in defense expenditure also, without impairing military effectiveness. In addition to budgetary cuts and deferments, a tax increase is needed in order to return some semblance of proportion and balance to our fiscal and monetary position.

"Firm fiscal action will free the monetary authorities from the need to finance the administration's unwieldy deficit thru massive injections of bank credit by the federal reserve. Undoubtedly the resulting sharp rise in the nation's money supply has materially contributed to the inflationary trend. Reduction in the money supply's growth might even go hand-in-hand with a general lowering of interest rates once the administration's borrowing needs have been brought back to normal proportions.

"The urgency of a successful anti-inflationary program requires a clear statement by the administration of its specific policy objectives, supported by immediate action on the part of Congress. In addition, strong appeals must be made to both labor and management to exercise maximum restraint in their wage and price demands."

Homer J. Livingston, chairman of the board, First National Bank of Chicago: "The threat of an acceleration in the upward movement of prices is one of the most serious economic problems facing the nation today. Such a development always lowers the purchasing power of those on fixed incomes, mainly the senior citizens who are growing in number and who have come to constitute a significant market for the nation's output of goods and services. Equally troublesome is the effect of inflation on the nation's balance of international payments. Exports would decline as United States-made products are priced out of world markets, while imports would rise as they become less costly than domestically-produced goods.

"Finally, inflation wears away the incentive to save, and savings are essential to investment and capital formation, the source of job creation. It is for these reasons that the deficit of the federal government must be narrowed by reducing expenditures and by increasing taxes. Failure to do so will lead to higher prices for all.

"It is unconscionable that a nation as affluent as the United States should resort to massive deficit financing at a time when employment and incomes are virtually at unprecedented highs, as they are today."

In a significant speech at Grinnell college last Sunday, George Champion, chairman of the board of the Chase Manhattan bank and a distinguished native son of Illinois, warned that "massive transfusions of federal money" will not solve the problems of our cities. He noted that the cities which were hardest hit in riots last summer had received above-average shares of the billions dispensed each year by the federal government. He said the whole welfare state, including the farm program, is based upon the assumption that depression is a normal condition, tho this concept is hopelessly obsolete.

Many of the federal programs have exactly the opposite effect from what was intended, Mr. Champion said. Housing projects become permanent slums. Welfare payments to fatherless families encourage fathers to leave home, resulting in patterns of idleness and community-sponsored illegitimacy. The "sprawling welfare empire and the layers of local and state relief operations" are regarded as the "enemy" by welfare recipients, who are organizing unions to press for their "rights" in demonstrations against the system.

What is needed, Mr. Champion said, is "incentive welfare," involving motivation, training, and job opportunities. Business and industry, he said, can provide the basic education and training needed by the unemployed to qualify them for jobs now going begging. Across the nation, there are more than 1,000,000 job openings and almost 3,000,000 unemployed.

"Even as prosperous a nation as ours cannot do everything at once," Mr. Champion asserted. "We must inevitably make choices."

If we make the wrong choices, relying upon an ever-expanding central government and ever-mounting federal deficits to "do everything at once," a prophecy made 110 years ago by Lord Macaulay may be the melancholy fate of this Republic. In a letter to H. S. Randall, an American friend, Macaulay predicted that industrialization and urbanization eventually would produce "a distressed and discontented majority" in this country, which would listen to the rantings of demagogs and could not be restrained by the government.

"There is nothing to stop you," he wrote. "Your Constitution is all sail and no anchor. . . . When a society has entered on this downward progress either civilization or liberty must perish. Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the 20th century as the Roman Empire was in the fifth; with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and that your Huns and Vandals will have been engendered within your own country by your own institutions."

[From the Chicago Tribune, Nov. 5, 1967]

THE WRITING ON THE WALL

The concern with which The Tribune views the menace of inflation was reflected during the last seven days on this page. All of our editorial space during this period was devoted to a detailed study of the erosion in the purchasing power of the dollar, which strikes home to every citizen.

The editor felt that the people of this country should be alerted to the dangers of this problem, which affects them immediately and is a mortgage on their future, their holdings, and their security in old age. Week after week prices rise and equities in insurance and pensions shrink. With the single exception of the federal income tax, inflation has taken more purchasing power away from the people than any other item.

The editorials of the last week trace the many factors that contribute to inflation. The first, of course, is the dimension of federal spending. This can be computed in various ways. The administrative budget shows outlays of 136.5 billion dollars. The cash budget sets a figure of 172.4 billion. But, however you reckon it, the Johnson administration admits that the fiscal year ending next June 30 will produce a deficit of more than 29 billion dollars unless part of this is offset by a tax increase.

That brings us to deficit spending as a prime factor in inflation. In 31 of the last 37 years the government has spent more money than it has taken in. What is so bad about that? The pernicious effect is that the government is forced to cover much of each year's deficit by producing what can only be described as printing press money.

It is obliged to issue its IOUs (called bonds, notes, bills, and certificates). These are normally taken up by banks, for the rest of us have been taxed so thoroughly that, as individuals, we can't rake up enough cash to buy them in the huge amounts the government is constrained to release them.

When the banks take up the bonds, and so on, they credit the government with a deposit in the same amount, and against this the government draws checks to pay its bills. The treasury securities also give the banks an asset against which to expand credit, so that the static paper generates more "money" put out in loans. In this way a printed paper creates money not in existence previously.

By this device the government is increasing the money supply at an annual rate now in excess of 12 per cent. This represents "new" money pumped out by the federal reserve to meet the deficit. The effect is highly inflationary. It is demonstrated by the fact that since 1940 the purchasing power of the dollar has fallen from 100 cents to 41.5 cents. The consumer price index is now rising at an annual rate of 4.5 per cent. This means that the cost of all goods and services is going up in that proportion as the purchasing power of the dollar declines in a matching curve.

It used to be said that the dollar was as "good as gold," and token recognition of the contention is represented by a statutory requirement that the stock of paper money in circulation must have a 25 per cent gold covering. But this is a fiction. Paper money in circulation has risen in 10 years from 28 to 40 billion dollars, and the total money supply, (including demand and time de-

posits) is now in excess of 357 billion dollars. The government's total gold holdings have fallen to 13 billion. In 1949 the gold stock was 24.6 billion, but claims of foreign creditors have drained away more than 11 billion of this former hoard.

Liquid liabilities to foreigners of almost 29.6 billion now outstanding could wipe out the remainder of the gold stock overnight if presented for conversion by central banks. Yet, in the face of this ominous predicament, the government persists in the folly of doling out foreign aid to more than 100 countries. The drain from this one source, counting in the interest costs on borrowings to be given away abroad, is now 152.5 billion dollars, which represents more than one-third of the federal debt of 340 billion dollars.

Meanwhile, the total tax clout on all individuals and businesses has reached 36.9 per cent. This is socialization of the fruits of production, for the Oxford economist, Colin Clark, has said that 25 per cent of the national income is about the limit for taxation in any nontotalitarian state in times of peace.

We understand that these figures and statistics are difficult to comprehend, but even an imperfect understanding shows them to be alarming. To state the predicament in one form, inflation, except for the income tax, is the harshest of taxes. Inflation totaled 25 billion dollars in 1966. This is equivalent to a sales tax of from 4.1 to 18.4 per cent on the citizens of every state. In Illinois this inflation was equivalent to a sales tax of 8.5 per cent.

Certainly this continuing calamity demands cure. It is up to the citizens to achieve it by insisting that their representatives in Congress stop dawdling and move for immediate correction.

What is our situation? The indictment against successive Democratic administrations could be framed in the words of the keynote speaker at the Republican national convention of 1896, when the great issue was sound money. Sen. Charles W. Fairbanks of Indiana said:

"When the Republican party was in power our currency was good; it was made as good as the best on the globe. We made sound money . . . When in the last half century of our history did the Democratic party advocate a financial policy that was in the best interests of the American people? Consider . . . its efforts to inflate the currency by the issue of greenbacks . . .

"Great and splendid and powerful as our government is, it cannot accomplish the impossible. It cannot create value. It has not the alchemist's subtle art, nor can it, by omnipotent fiat, make 50 cents [equal] 100 cents . . . A sound currency defrauds no one. It is good alike in the hands of the employe and the employer; the laborer and the capitalist. Upon faith in its worth, its stability, we go forward planning for the future. The laborer knows that the money earned by his toil is as honest as his labor and that it is of unquestioned purchasing power. He likewise knows that it requires as much labor to earn a poor dollar as a good one; and he also knows that if poor money is abroad it will surely find its way into his pocket.

"We protest against lowering our standard of commercial honor. We stand against the Democratic attempt to degrade our currency to the low level of Mexico, China, India, and Japan."

It is time for Republicans to make the same ringing challenge to fiscal recklessness and monetary debasement. The people must be protected before everything is swept away.

A NEW LOOK AT THE STATE DEPARTMENT AND THE FOREIGN SERVICE

Mr. RIBICOFF. Mr. President, last week Under Secretary of State Nicholas deB. Katzenbach addressed the Foreign Service Day Conference at the Department of State.

In his speech, the Under Secretary made some most interesting proposals regarding the need to coordinate and reorganize our foreign policy machinery. And he addressed himself to the need to develop creative and broad-gaged leadership potential in the Foreign Service.

Mr. President, I am sure that all of us will be interested in the thoughtful comments of the distinguished Under Secretary. His speech provides serious food for thought. I ask unanimous consent that it be printed in the RECORD.

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

ADDRESS BY UNDER SECRETARY OF STATE NICHOLAS DEB. KATZENBACH, AT THE FOREIGN SERVICE DAY CONFERENCE, DEPARTMENT OF STATE, NOVEMBER 2, 1967

I

Mr. Hamlin, Mr. Weil, Foreign Service Officers, past and present, ladies and gentlemen:

I am delighted to have the chance to talk to this distinguished group of colleagues and friends of the Department of State.

Inasmuch as most of you have probably eaten dinner, I do not propose this evening to cover any culinary subjects. I do not intend to hand you a "bowl of jelly" for dessert, tour you through a "fudge factory", or ask you to take part in a "taffy pull".

Neither do I have any entertaining mystery stories to offer. I fear I can provide little enlightment on the arcane intrigues darkly hinted to be going on in this building. As an alumnus of a certain New Jersey university, I must, however, admit to a certain fascination in the report that something called the "Henderson-Princeton Pack" is operating among us. According to the rather breathless dispatch contained in the current edition of a little newspaper sold outside the entrance-way, there is also a "Bobby Kennedy Coterie," a "Macy-Crockett Camp" and a group known as the "Young Turks".

But while I have neither cooking receipts nor revelations of sinister conspiracies to hold your attention, I do have a subject at once intriguing and complex—the *administration* of foreign policy by the United States Government.

Administration as a topic has a markedly soporific effect on some persons. The word itself seems sufficient to draw forth yawns and make eyelids grow heavy.

This may be because—especially in the field of foreign affairs—administration has often been regarded as something of a stepchild, rather unfashionable and definitely subordinate, smacking vaguely of filing cabinets, travel allowances, or paper flow. It has also been thought of as separate from, and only marginally relevant to, the actual making of foreign policy.

Such a view is, of course, not only a misconception, but a naive one at that. The administration of the Department of State, and of other Federal agencies concerned with foreign affairs, does more than just *bear upon* the formulation of foreign policy. The two subjects are intimately related. Neither can be usefully considered without the other. They are, in fact, more or less inseparable.

This fact has been made starkly apparent in the last two decades. The revolutionary changes of the post-war world forced radical departures in American diplomatic policy. These changes, in turn, required drastic surgery on the institutions charged with formulating and guiding it.

Thus America's emergence as a dominant power with worldwide interests and the demands this made on our foreign policy made necessary such new agencies as AID, USIA, CIA and the Peace Corps. It made necessary several major reorganizations of the State Department.

And, conversely, the exigencies and peculiarities of these newly-shaped organizations altered the way policy is made, created problems of coordination and duplication, deeply affected, in short, the shape and nature of the policy itself.

So great and so swift has been the transformation of the government's foreign policy making apparatus that dislocations, stagnant places, inefficiency and overlapping were bound to occur. I am not giving away any secrets when I say that the current operations of the State Department leave much to be desired. They are not as bad as some critics say they are. But neither are they as good as the more ardent apologists of the status quo would have one believe, and certainly they are not nearly as good as we would like to see them.

II

I would like this evening to touch on a few of the major problems and shortcomings, and how we might deal with them. The problems can be divided into two separate though related categories.

The first has to do with problems of coordination, both among the large number of agencies that have an interest in foreign affairs, and among the various bureaus of the State Department itself. Virtually every Cabinet level department of the government now has dealings overseas, as do such agencies as the AEC or FAA.

One of the things that truly startled me when I first came here was to learn that no less than 80 percent of the people officially representing the United States overseas were working for agencies other than the Department of State. The problem this causes for coordination, not to mention the pinpointing of responsibility, is fairly staggering.

The latter problem was somewhat alleviated overseas by President Kennedy's Executive Order giving primacy to the Ambassador in each country and making all the US personnel in the country subject to him. The country teams, composed of senior representatives of the US missions in the country and senior embassy advisors, were created with the same aim in mind.

While some people think that the various attachés and persons serving overseas for other agencies should be brought formally and structurally into the State Department in a kind of enlarged foreign service, I believe the country team concept has done much to improve the coordination of programs within particular countries.

In Washington, however, the problem is more complicated. Overseas it is possible to gather together the top US officials in a country dealing with political, military, economic and other matters and get them to mesh their ideas and programs as effectively as possible.

At home, however, no identical means of coordination exists. For in Washington one is dealing with separate agencies with varying missions, approaches and "constituencies".

Differences in organization are just one example of the difficulties encountered in the efforts to coordinate programs and policy. The State Department, although it has some "functional" bureaus, such as Economic Affairs and Educational and Cultural Affairs, is largely organized geographically. Other agencies that have dealings abroad, on the other hand, are organized according to the functional requirements of their work and interest, whether it be labor, or law enforcement, or bird life. Thus State Department regional bureaus must deal not only with a welter of separate agencies but with a host of subdivisions within them and with the basic fact that our orientation is to countries and areas while theirs is to programs.

Welding this complex of interests into a harmonious overall policy for a geographic area is, needless to say, not easy. And welding the entire mass together, balancing the requirements of one region against that of another, is more complicated still.

That melancholy and notorious failing endemic to bureaucracy, parochialism—the tendency to see the arguments, needs and interests of one's own agency, or bureau, or office as paramount to every other—compounds the difficulties. At worst, an agency with supposedly unified goals and purposes comes close to being transformed into a battleground of hostile camps, each more concerned with defeating the proposals of another than molding a uniform policy meaningfully conforming to the bidding of the President and the will of the people.

The process of reconciling differences of view has led, of course, to the all-pervading system of clearances, a system which often makes a paper or telegram look more like a petition than a governmental directive. But just because a paper has a dozen or two names appended to it does not make it useful; it may, in fact, have just the reverse effect.

For the signatures may mean only that a kind of truce has been declared on a given issue. Too often, however, the result is not that decisions have been made but that they have been avoided. The document bearing the signatures represents little more than the lowest common denominator of assent. And characteristically, it employs a lot of dense bureaucratic mulch to camouflage its lack of clear direction or decisive policy.

Early last year a significant move was made by President Johnson to cope with this kind of problem, at least at the inter-agency level. It is, I think, by far the most important step yet taken to sharpen the decision-making process and enhance effective coordination among the many government agencies involved in foreign affairs.

The President issued a directive aimed at assuring the Department of State a predominant guiding role in foreign policy despite its shrinking percentage of overseas operations when measured in terms of money, budgets and personnel.

The directive created coordinative units at two levels. At one level are the Interdepartmental Region Groups (IRG), composed of Assistant Secretaries or their equivalents, with the State Department man acting as chairman of each unit. The groups match the Department's five geographical areas: Europe, Latin America, Africa, the Near East, South Asia and the Far East.

At the next higher level the directive created the Senior Interdepartmental Group, made up of the number two agency officials. I act as Chairman of this group. (Inevitably, the entire mechanism has picked up the inelegant sobriquet SIG–IRG, which, though it sounds like some kind of Nazi salute, derives, of course, from the acronyms of both bodies.)

The groups at both levels meet regularly. They were purposely created at levels high enough to command the authority to make significant policy decisions. That is the crucial point. These are not just *discussion* groups. They meet to *decide* issues, with the voice of the chairman being the decisive one. But the fact that he is from the State Department should be irrelevant. He can only do his job if he seeks to represent the view of the President, not merely the sometimes more parochial view of the Department.

The meetings on the whole have been very successful. The Committees represent the most serious and most promising effort we have yet devised to defeat the lowest common denominator approach I mentioned earlier. For the view of a bureau or agency seen in isolation is rather meaningless. The men attending the SIG–IRG sessions are given the opportunity to weigh the merits of their own position in light of other views and other facts.

The group members are enabled to judge the issue in dispute not from the vantage point of what is best for the Bureau of European Affairs or the Bureau of Mines or the Department of the Army or the Maritime Administration, but from the vantage point of *what is best for the United States.*

I am hopeful that this kind of view will filter down through all levels of government. For what ultimately is important is not a *mechanism* or a group of committees but an *attitude* or frame of mind. What I would like to see cultivated is the ability to understand the other man's side, to see the larger picture, the broader view.

A State Department officer charged with responsibility for Portuguese affairs must know and be able to explain our interests in Portugal. The desk officer for an African nation must know and be able to explain our interests in Africa. But if these should happen to clash, neither officer, if he is doing his job properly, will approach the conflict from his own narrow base, but from a base that reflects the *entire* American interest.

Recently, in conjunction with the Bureau of the Budget, the State Department has been reviewing the foreign operations portions of other agency's budgets. This is, I think, another important step forward in enabling us to provide leadership and direction in the foreign affairs field.

If the State Department has been assigned a primary role in the coordination and formulation of foreign policy, it is, obviously enough, not because we have a monopoly of wisdom or a special virtue. It is simply because we are in the best position to assess how the programs of other agencies affect the overall needs and requirements of American policy.

We have no desire to superimpose our judgments on the experienced judgments of experts in the Defense Department, AID or other agencies. Our purpose is to assess, from a central vantage point, how the separate programs fit into the whole, whether the proper balance is being struck, and whether resources are being used to the greatest advantage.

III

The second category of problems we must attack, and attack quickly and effectively if our foreign policy machinery is to keep pace with the changing needs of a fast-paced world, is that of personnel.

If the State Department is to retain its traditional role as the chief foreign policy instrument of the government, it must have professional personnel who can take the lead. It is not enough to proclaim primacy; we must have the kind of people who can command it and are worthy of it.

The effective carrying out of this assignment requires a far broader array of skills than sufficed in the past. For traditionally, the Foreign Service has been concerned with policy rather than with specific programs. Indeed, efforts were made to transfer all foreign programs from the State Department to other agencies. Now, however, we must take upon ourselves both concerns.

If we are to give direction to major foreign programs carried out by other agencies—we must come to understand these programs almost as well as the professionals who handle them daily. And this task demands a rare and difficult capacity—the ability to analyze, compare and choose among the competing demands of a number of programs for limited funds.

But this skill alone does not suffice. Dealing with the many powerful and independent bodies now involved with the foreign affairs of this country requires an understanding of the whole complex of political processes in Washington.

A State Department officer now must understand the other federal agencies, their organization, their responsibilities and their problems almost as well as his own. And he must understand the operations of Congress with a degree of refinement that I fear too few of us today command.

It is not unusual to find an FSO better versed in the operations of the legislature of say, Zambia, than of the Congress of the United States. Yet despite some senators' claims of impotence, Congress is very much involved in the business of forming the foreign policy of the United States.

Our ability to further our national interests abroad depends upon the shape, size and direction of our economic and military assistance programs, our trade policy, and a countless array of other programs which are largely determined by the will of Congess. Clearly, then, Congress is both a useful and a necessary partner in the direction of our foreign policy and we must prepare ourselves accordingly.

The State Department officer of today must also have an understanding of the varying institutions and interests in our society which, when taken together, comprise the "national interest" we are trying to protect and enhance abroad. It is no longer good enough for an FSO to know more about the labor movement in Japan than about the AFL–CIO or the financing of the political parties in Finland than in Maryland. It is not good enough for him to be an expert on what we are doing to help alleviate poverty in India. He must also know what we are doing to fight poverty at home. Unfamiliarity with the domestic scene not only reduces his effectiveness in Washington; it reduces it abroad.

Headlines at home are also headlines overseas. If an American official abroad is not more familiar with the causes of racial conflict in Detroit or protectionist legislation on the Hill than the man in the foreign ministry he is dealing with he is not doing a very good job of representation.

Finally, the Foreign Service has historically been more attuned to the individualistic talents of reporting, analysis, representation, and negotiation than to the group-oriented talents required for management and organization. But if we are to provide the leadership for the 80 percent of American officials abroad who are *not* Foreign Service officers, if we are to take command within high-powered inter-agency committees in Washington and, most important of all, if we are to take effective control of our own sprawling bureaucracy, then we must give a new measure of respect and attention to the talents of executives elsewhere in private and public life.

In short, present day diplomacy requires men who are not just intelligent, but also creative and broad-gauged, not just highly educated but also competitive, aggressive, decisive and able to get things done, not just ambitious and hard working, but with an instinct for leadership, not just perceptive but politically aware and committed, not just versed in foreign affairs but versed as well in the intricacies of American government and political life.

I am optimistic that we can attain a service composed of such men. I am optimistic because the requirements of this kind of service correspond so closely to the demands being made on us by our most talented young officers. There is a happy coincidence between their demands and the needs of the service. Our ablest younger men are restive. They are asking for a richer and more varied experience than is now being given to them.

They complain of a tendency to insularity in the service. They say it fosters a guild mentality, restricted in its interests, defensive in its posture, narrow in its attitudes and highly protective of its own outlook. They feel that the promise of real responsibility in the world of foreign affairs held out to them has been denied. In its place they have been given a measure of personal security for which they did not ask.

Above all, they complain that their talents are under-utilized. In a world of business executives in their 20's; senators in their 30's

and even presidents in their early 40's, we cannot expect them to wait patiently for their late 40's or 50's to exercise real responsibility.

One young man made the point rather graphically in his answer to a recently conducted survey attempting to pin down the reasons for attrition among young foreign service officers. He wrote:

"The fact that I more than doubled my total remuneration was not what caused me to leave the Foreign Service! What did cause me to leave was that, after four years of Foreign Service training, I was the second of two Visa Officers in Rome; after six months training in industry, I took over as manager of an oil company producing 35,000 barrels per day."

It is possible that these complaints are exaggerated. But there is no question that they are seriously and deeply felt.

The under-utilization of a talented body of men is paradoxical, harmful and even tragic. It is paradoxical because most other professions—in industry, state, and local government, academia and elsewhere—are crying out for talent; it it harmful because it wastes fine manpower; it is tragic because it causes frustration and depresses morale throughout the service.

The Foreign Service officers with whom I have talked are not carping or negative in their criticism. They want to bring about positive and constructive changes in the career they have chosen and to which they are deeply committed. This is enormously encouraging for ultimately the drive for reform must come from within the Foreign Service itself. The statement of career principles recently prepared by a committee of the American Foreign Service Officers Association seems to me a notable example of this effort.

Above all what strikes me is the absence of fear of change, the willingness—indeed the desire—to meet the challenge posed by the new complexities of foreign affairs. There is a recognition that there must be room within the Department for outsiders—those who have not developed from junior officers but who can bring in new ideas and special skills. Similarly, there is a willingness not only to assume greater responsibility within the Department of State but to accept the challenge of outside opportunities as well. Finally, there is the healthy conviction that any shortage of jobs for truly talented men can only be the result of artificial barriers, not of any shortage of need for their talents.

The Foreign Service is pointing its own way towards meeting the responsibilities that are before it. One idea that has been mentioned seems to me both illustrative and promising.

The Government's need for broadly based and truly professional Foreign Service personnel might be well served by providing officers with an opportunity to work in and with other governmental and private agencies concerned with the foreign and domestic problems of the United States. A Foreign Service officer might, for instance, spend a few years with a Senate committee, with another executive agency, in journalism, with a foundation, in a university, or in private business, and expect to return to the Department at a later time.

Such flexibility would have several advantages. It would make the exceptional talent and experience of this service available wherever it is most needed. It would provide a cross-fertilization of views and ideas. It would introduce into the Service a greater variety of specialized professional skills and talents. And it would increase the independence of Foreign Service officers. With a widened professional experience, they would be able to move out of or stay in the service as they see fit.

A parallel advantage would accrue to the Department. Under a somewhat loosened system it would have to compete harder for the most able men. But it would insist that the caliber of its men be the very highest. And it would recruit and retain its personnel not by assuring them security but by providing positive incentives—in responsibility, in the knowledge of the importance of the work to the nation, and in its high intrinsic interest.

Shaping the career Foreign Service to the evolving needs of our time will not be an easy task. There is a built-in resistance to change in any large organization. There are always some who fear the new. But I do not believe today's Foreign Service has many such men. I know that the vast majority of State Department officers recognize the need for change. Indeed, a large number of them strongly advocate it.

This agency and the people who work for it are under constant scrutiny. There are some here who resent this. They ask "Why can't we just be left alone to do our work like everyone else?" It is the wrong question. We are not everyone else. We serve in an uncommon occupation with an uncommon mission in an uncommon time. How we perform in that mission affects the lives and destinies of all Americans. That is why they have a right to expect an unparalleled performance.

And that is why we must constantly try to improve the way we do our job. In this I solicit your aid. Your suggestions, your advice, and your counsel will be invaluable if we are successfully to complete this momentous assignment.

STATE OF COLD WAR ON 50TH ANNIVERSARY OF SOVIET REVOLUTION

Mr. SPONG. Mr. President, today marks the 50th anniversary of the Communist revolution. Secretary McNamara's announcement that the Soviets are developing a system for delivering nuclear weapons from space and the Russian reaffirmation of its policy of supplying North Vietnam have occasioned recent examinations of the current status of the cold war.

James Reston, writing in the Sunday, November 5, 1967, Richmond Times-Dispatch, made a brilliant analysis of our present relations with Moscow. Mr. Reston concluded:

The Soviet leaders are apparently not trying to revive the most dangerous phase of the cold war, but they seem to be determined to go into the second half-century of their revolution by creating as much mischief as they can, in Vietnam, and elsewhere.

The liberal tendencies of the Johnson administration lead it to believe that Moscow is coming around to a more moderate view of the cold war, but the evidence in Vietnam, in the Middle East and in the development of weapons systems, suggests that the trend of the Soviet policy is still going in 1967 against the West and in favor of revolutionary action, as it was from the beginning in 1917.

In evaluating Soviet posture and pronouncements of this year there is scant evidence to refute Mr. Reston's conclusions. The cold war is not over; the end is not even in sight. The locale has not merely shifted; it has expanded. In its expansion it has come to encompass new areas where local fears and hatreds can be exploited and used.

I ask unanimous consent that Mr. Reston's column be printed in the RECORD.

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

SOVIET COLD WAR POLICY IS SAME AFTER 50 YEARS

(By James Reston)

WASHINGTON.—On the eve of the 50th anniversary of the Communist revolution, the chairman of the Soviet Communist party, Leonid I. Brezhnev, compared the American activities in Vietnam to "the atrocities of the Fascist brutes," and promised that the Soviet Union would keep on giving North Vietnam whatever military assistance it needed until the United States withdrew its forces from that country.

At the same time, Secretary of Defense Robert S. McNamara announced here that the Soviet Union had started testing what American intelligence sources thought might be a weapons system for attacking any part of the world with nuclear weapons from space satellites.

That raises some interesting birthday questions. Where do we stand with this other major nuclear power on its 50th anniversary? What is the outlook for U.S.-Soviet relations, not only in Vietnam but elsewhere?

The Johnson administration has been very generous in its estimates of Soviet policy in Vietnam over the last couple of years. It has been saying that Moscow was unhappy about the war, wanted to end it, but had limited influence on Hanoi, and couldn't really abandon a Socialist ally under bombardment by the United States.

Accordingly, Washington has gone along on the assumption that it could gradually increase the military pressure on Hanoi and force it to settle the war on U.S. terms, and that Moscow would acquiesce in such an accommodation.

That assumption, however, has always been challenged by Washington's major European allies, and it is now being challenged by some of President Johnson's own associates—not to him personally, because he is not in a listening mood, but within the isolated precincts of the State Department.

There are many people within the administration who take Brezhnev threats seriously. They question the major assumption of the President and the secretary of state that the Soviet Union will tolerate the slow defeat of North Vietnam and the Viet Cong, and believe that Moscow has the power and the will to prevent it.

Their argument is as follows: Vietnam is not vital to the Soviet Union geographically, but it is vital politically. Aside from the question of wanting to support a Socialist ally, Moscow gains by Washington's involvement in the war. The cost to the Soviet Union of supporting North Vietnam is about one billion a year; the cost to the United States of supporting South Vietnam is about $30 billion a year.

Moscow is worried about the war getting out of hand, and does everything it can to avoid a dangerous escalation on our part, but it is not unhappy, according to this argument, about an indefinite stalemate that divides the people of the United States, splits the Western alliance, diverts China from the Sino-Soviet border struggles and costs Washington 30 times more than it costs Moscow.

Looking beyond the 50th anniversary of the Communist revolution to the next 10 or 20 years, the prospect from Moscow is not very bright. The United States now has two or even three to one advantage over Moscow in strategic weapons, and a much larger rate of economic growth. If the war ends, Washington's $30 billion a year for Vietnam will be available to ease the pressures in the American cities and in the underdeveloped world, and that would not be in Moscow's interests. Therefore, why should Brezhnev want to end the war, provided it can be controlled?

The Johnson administration, of course, rejects that line of reasoning. It believes Moscow is merely providing token support

to Vietnam and will eventually allow Washington's superior air and naval power to prevail, but that is an assumption that may be right and may be wrong, and it is at the heart of the debate going on here in Washington.

For example, Moscow is now providing rockets that can hit our airfields in Vietnam from a distance of five miles. It is rationing its offensive weapons to Hanoi, but if the five-mile rockets do not maintain a balance of power, why not 10-mile rockets? Moscow has them, and it has missiles that can hit our fleet. The question is whether the Soviets are determined to deliver whatever is necessary to keep the war going. Some officials here think Moscow is not; others think that it certainly is.

The evidence on the administration's side is at least subject to debate. The Johnson administration has tried with the utmost sincerity to get Moscow to limit the arms race, to stop building an antiballistic missile system, to keep weapons out of space, to help end the war in Vietnam and to cooperate in reducing tensions in Europe and the underdeveloped world—but Moscow has refused.

The Soviet leaders are apparently not trying to revive the most dangerous phase of the cold war, but they seem to be determined to go into the second half-century of their revolution by creating as much mischief as they can, in Vietnam and elsewhere.

The liberal tendencies of the Johnson administration lead it to believe that Moscow is coming around to a more moderate view of the cold war, but the evidence in Vietnam, in the Middle East, and in the development of weapons systems, suggests that the trend of Soviet policy is still going in 1967 against the West and in favor of revolutionary action, as it was from the beginning in 1917.

CEA CHAIRMAN ACKLEY: HOW TO MAKE PROSPERITY LAST

Mr. PROXMIRE. Mr. President, I invite attention to the last article in the United Press International series: "How To Make Prosperity Last." This piece, published in Saturday's Washington Post, was written by Gardner Ackley, Chairman of the President's Council of Economic Advisers.

Dr. Ackley is a most capable economist. He views, quite correctly in my opinion, our record stretch of prosperity as a considerable achievement. His brief statement of the economic gains registered since 1961 shows just how great an accomplishment this has been. In his usual modest appraisal, Dr. Ackley gives only partial credit to Federal economic policy, but there can be little doubt that our new conception of the role of economic policy has been largely responsible.

Although I do not adhere to his immediate prescription for the economy, I commend him for his constructive and thoughtful approach to economic policy formulation. This article and the series as a whole have helped give perspective to our current economic debate.

Mr. President, I ask unanimous consent that Dr. Ackley's article be printed in the RECORD.

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

HOW TO MAKE PROSPERITY LAST: ACKLEY TELLS HOW TO AVOID FINANCIAL OVERHEATING

(By Gardner Ackley, Chairman, Council of Economic Advisers)

I am pleased to join in celebrating the fact that—in its 81st month—the present economic expansion is now the longest in our history, having outlived the 80-month expansion that included World War II.

Between 1954 and 1961, the average duration of expansions in the United States was 30 months; the three expansions immediately prior to the present one lasted 45, 35, and 25 months respectively.

This expansion has been remarkable not merely for its duration, but for its vigor. Over these 80 months:

Some 9 million more workers have found highly productive jobs;

The total income of consumers, after taxes and measured in constant prices, has risen 40 per cent;

Total real output has risen an average of 5.2 per cent a year, and industrial output 6.4 per cent a year.

How can we keep this longest and most rewarding expansion going? Perhaps the question can best be answered by asking what accounts for the 80 months already achieved.

I am sure that part of the explanation lies in the state of the economy in February 1961 when the expansion began.

There was surely a large backlog of potential investment demand as a result of five years of slack.

As a result of the same slack, price stability had been reestablished—and inflationary expectations dissipated—following the acute inflation of the Korean war and the sharp price rise of the mid-50s.

Moreover, modern industrial managers had learned how to control inventories more effectively, and to make investment decisions on the basis of a longer planning horizon—changes which reduce the inherent instability of a private enterprise economy.

These and other developments had set the stage for a strong and prolonged expansion; but they certainly did not guarantee that it would occur. Witness the distinct faltering in the summer of 1962, which led to well-founded fears that the expansion would peter out after only 15 months.

Among the many elements contributing to the duration and vigor of this expansion, a crucial one is surely a new conception of the role of Federal economic policy.

In response to the mandate of the Employment Act of 1946, the makers of fiscal and monetary policy have learned to estimate continuously the potential output of the economy at high employment, and have designed fiscal and monetary policies which will support markets sufficiently strong to utilize that potential.

Helped by the tax reduction of 1962, 1964, and 1965, the advance of production gradually caught up with the steadily growing potential output of the economy. The task of economic policy was greatly complicated by the growing and not easily predictable demands of the Vietnam hostilities.

Now and for the future, we are required not merely to keep total demand strong enough to use our full potential, but to avoid letting demand outrun potential output, thereby generating unhealthy inflationary pressures and soaring interest rates. These, in turn, could create imbalance capable of bringing expansion to an end.

Thus the immediate challenge is to make effective the restraints on demand that the President has proposed—higher income taxes and a curtailment of less essential public spending.

If we demonstrate the degree of fiscal responsibility necessary to avoid an overheated economy in the period immediately ahead, we can then count on being able safely to stimulate demand whenever in the future it may threaten to dip below the path of potential growth.

The best recipe for continuing expansion that I know consists of flexible monetary and fiscal policies which will keep expansion healthy by avoiding overheating, and which will stimulate its pace when it threatens to slacken off.

Expansion can continue so long as we have the intelligence to measure our performance against our potential, and the political will to do what is necessary to keep our performance in balance with our potential.

THE CONTINUING CRISIS IN THE CITIES

Mr. RIBICOFF. Mr. President, the continuing crisis in our cities has made us all aware of the need for a massive commitment by every segment of our society to curing the ills which have beset our urban areas. This great effort cannot be confined to the Federal, State, or local governmental agencies. The problems of our ghetto areas can be met and solved only by the combined endeavors of public and private sector alike.

Our studies of urban problems pointed out that the overriding need in our cities is more employment opportunities. I would like to take special note of the efforts of the Greater Hartford Urban League, in conjunction with five manufacturing companies—the Allen Manufacturing Co., Anderson Laboratories, Inc., Combustion Engineering, Inc., Kaman Corp., and Hamilton Standard—to launch a job-recruitment drive aimed at providing more jobs for the unemployed in Hartford. These companies deserve the commendation of all for taking the lead in this important effort.

I ask unanimous consent that an article published in the Hartford Times, which describes this effort, be printed in the RECORD.

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

JOB RECRUITMENT AIMED AT GHETTOS

(By Marion Jones)

The Greater Hartford Urban League, in cooperation with manufacturing companies in the Bloomfield, Windsor and Windsor Locks area and the Connecticut Company, has launched an intensive job recruitment program aimed at the unemployed and underemployed in Hartford's ghettos.

The companies—Allen Manufacturing Co., Anderson Laboratories Inc., Combustion Engineering Inc., Kaman Corporation, and Hamilton Standard—have listed nearly 200 job openings with the Urban League employment director Samuel B. Wilson.

The jobs range in scope from maintenance to engineering and offer openings to persons with varied levels of education and experience. Aside from the job openings available the companies have listed various job training openings and have offered opportunities for advancement to those hired in this special effort to get the unemployed to an employer.

The unique part of this program, announced today by Wilson and representatives of the participating programs, is that following the recruiting and hiring phase of the project, the Connecticut Company will revise and establish bus routes from North Hartford, the main job target area, to the participating employers.

This phase of the program will fill the transportation gap long cited as a reason for many North Hartford unemployed not seeking jobs outside of their area.

The companies are also going to set up an extensive advertising campaign to attract persons to the Urban League and subsequently to their companies.

The Urban League will do the initial screening and then will direct applicants

to the various companies for job openings. The companies have agreed to have representatives stationed at the Urban League's 10 Allyn St. office during the week of Nov. 13, "Jobs Now Week," to interview screened applicants.

Both male and female applicants will be accepted and there are no age limits. A spokesman for the Bloomfield-Windsor industrial group said also that "we will not say no just because someone has a prison record."

Most of the jobs are for the second shift, however there are several openings for first and third shifts.

The pay ranges from $1.50 an hour to over $3 an hour in the more skilled and professional areas.

Janitors, assemblers, electricians, typists, keypunch operators, machinists, clerks, draftsmen, painters, chemists and engineers are a few of the many openings.

It is expected to be a continuing program geared to filling job openings with people who need jobs. It is also expected that bus service will be a continuing service once the initial employes have been hired.

"We are providing the referral, the transportation and the employer," said a spokesman, "those are the three key issues in filling the labor market today."

THEORY AND REALITY IN TAX POLICY

Mr. CARLSON. Mr. President, taxes—Federal, State, and local—are of great concern to our citizens, and, in view of the administration's demand for increased taxes, we need all the information available on this subject.

Dr. Dan Throop Smith, formerly with the Treasury Department and now professor of finance at Harvard University, delivered an address entitled "Theory and Reality in Tax Policy" at the National Tax Association Annual Conference in Atlanta, Ga., on October 23, 1967. Because it is most timely, I ask unanimous consent that it be printed in the RECORD.

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

THEORY AND REALITY IN TAX POLICY

(Presidential address by Dan Throop Smith, at the National Tax Association annual conference, Atlanta, Ga., October 23, 1967)

The contributions of theoretical analysis in the development of tax policy are numerous and manifest. At some times and in some places, I have been and shall continue to be a vigorous advocate of the need for reliance on a theoretical structure to secure wise tax legislation. But at this time and in this place, it seems more important to challenge the value and indeed to warn against the use of certain recent developments in theory as guides for public policy. The danger of these theoretical concepts, and it is no exaggeration to say that erroneous or impractical theories may constitute a danger, arises from their failure to take adequate account of the realities of thought and action of people in politics and as taxpayers, investors, and businessmen.

Specifically, the present deficit, which is recognized by virtually everyone as inflationary under existing circumstances, arose from theoretical misconceptions about the long-run economic needs for government revenues to meet expenditures and the short-run political feasibility of changing tax rates. Prospectively, revisions in the tax structure are advocated by some to make it conform to their theoretical concept of equity—a concept which is inconsistent with traditional and widely held popular beliefs about what is fair—or to a theoretical model of economic neutrality which may be inconsistent with economic growth or an acceptable balance of payments.

Emphasis in the literature of public finance sometimes reflects the major problems of a period. Attention to stabilization in the nineteen thirties reflected the depression of that decade. Emphasis on growth in the nineteen fifties reflected the concern felt by some about the international comparisons of rates of growth. This concern, one may note, has at last been recognized as unjustified by subsequent studies indicating the greater potentials for growth at various stages of economic development or under particular conditions of transferable labor.

But a new emphasis in theoretical writing need not reflect the changing problems of the times. A brilliant exposition of a new or neglected concept provides an intellectual challenge for other writers who find their professional satisfaction in writing dissents, refinements or qualifications. Economic theory can become as fascinating for economists as pure mathematics for mathematicians—and as remote from the world of affairs. The construction of a neat model is a satisfying intellectual achievement and, for those whose talents lie in that direction, the manipulation of a model can be more intriguing than attempts to test its correspondence with the real world.

The danger that theory may unduly depart from reality is by no means new. The epitome of the theoretical contempt for the practical was represented by the remark of a renowned economist some thirty odd years ago. Perhaps I have quoted it too often, but it is classic in its unintended forthrightness. The incident involved a prediction that if a certain policy was followed for a year, dire results would occur. The policy was followed; the results did not occur; and the theorist was asked a year later by a newspaper reporter if the events did not disprove the theory. With supreme assurance and unimpaired confidence he answered, "Not at all. If the American people had understood economics, it would have happened." The analogy to the attitudes of some theorists regarding equity in the tax system will be noted shortly.

The concept of "fiscal drag," advanced under that name only a few years ago, turned a statistical possibility about the relative rates of growth of government expenditures and revenues into a firm prediction. Tax reduction based on the concept and the erroneous projections has turned out to be inflationary, and any short-run benefits from a faster immediate expansion in the economy probably will be more than offset by the damage from additional inflation or the actions taken to suppress inflation.

A belief that an increase in aggregate demand would absorb most of the unemployed without creating inflationary pressures turned out to be incorrect in two respects. Much unemployment, especially that which led to the greatest social problems, was hardcore unemployment not susceptible to significant improvements by increased total spending. And bottlenecks led to inflationary wage and other cost increases while total unemployment was still substantial.

Though the phrase "fiscal drag" is a recent addition to our vocabulary, some consideration of future as well as present revenues and expenditures is not new in tax policy. In 1954, for example, a decrease in revenue of over $7 billion was proposed and adopted, through rate reductions and revisions in the Internal Revenue Code, on the basis of a curtailment in expenditure which was confidently and correctly foreseen. It was recognized that a large surplus, if tax reductions had been postponed until expenditures had been cut, would have been unduly repressive. But this was quite different than the projection of revenues to be secured from a level of economic activity theoretically attainable against an inadequate projection of expenditures in existing programs and probable new programs.

At a time when increased Federal spending was thought to provide the solution to most domestic social problems and when real ingenuity was thought to be necessary to avoid economic recession because of surging Federal revenues, it is not surprising that expenditures rose so rapidly that the budget got out of control, quite apart from military outlays. Anyone who had felt the inexorable increases in expenditures in the 1950's, at a time when the prevailing attitude was one of skepticism regarding the need for new and larger Federal programs, could be fairly certain that statistical projections showing any shortfall of expenditures in the mood of the early 1960's would be unrealistic.

In passing, one may note with some regret that critics of our affluent society who correctly emphasize that the quality of life depends on the quality rather than the quantity of expenditures in private consumption have failed to recognize that the same distinction should be made regarding government expenditures. May we hope to have the same discriminating analysis applied in the public area, with the conclusion that a smaller but wiser expenditure may give a better quality of both public and private life?

In education, in welfare, and even in highway construction, more attention to the quality of the result, rather than a presumption that an increased quantity of input automatically leads to a better output, is needed. Analysis of this sort presents a challenge to political scientists and economists, as well as to professional specialists in the various government programs. Symptoms in some of the welfare states suggest that excessive public affluence may be as debilitating for a society as it is for some individuals, with results that are more serious because they are more pervasive.

In brief, the belief of a few years ago that a fiscal drag was the principal danger in the Federal budget has been discredited by the realities of accelerating government expenditures. Like the misconception of a generation ago that western civilization was economically mature and hence inherently stagnant, it led to bad economic policies. The mature economy concept led to tax and other penalties on savings and investment which first suppressed latent revival and growth and later laid the basis for inflationary forces in expanding economics. The concept of fiscal drag led us into the present impasse with an inflationary budget deplored by all but for too long corrected by none.

Until recently it was not only thought that the elimination of fiscal drag was necessary to assure continued economic growth, and that its elimination probably would produce the growth, but it was also believed that a proper exercise of fiscal policy could produce "fine tuning" of the economy with virtually steady rises in activity and income. Again, political and economic realities have disproven the idea that quick adjustments in tax rates could be used for stabilization purposes. First, a temporizing Administration postponed attempts to secure Congressional approval of rate increases far beyond the time when action seemed required. More recently, a frustrated Congress has knowingly and understandably accepted more immediate inflation as a necessary price to pay in an attempt to secure some control over expenditures.

In theory, expenditures should be limited directly by Congressional appropriations but, for a variety of reasons under our governmental processes, individual appropriations mount to a level which, after the fact, is regarded as excessive in the aggregate. Since the middle nineteen fifties, the Congress has used the requests for increases in the debt limit as occasions to try to control expenditures indirectly. These attempts could not be really effective because expenditures in

process had to be paid for. It is likely, however, that the small increases in the debt limit actually adopted, forcing repeated requests for further increases, and the denunciations which occurred each time the ceiling was raised, including self-denunciation in the Congress, has had some effect in curtailing outlays, illogical and inappropriate though this method may be in theory.

The size of the deficit may be a psychological constraint on expenditures, quite apart from its relation to the debt limit. But the psychological factor does not apply systematically. For several years after 1953, when a balanced budget was an accepted and attainable goal, the fact that a contemplated expenditure or tax reduction was not "in the budget," was a fairly effective barrier to its adoption. Later, in 1958, when receipts fell off and expenditures increased during a pause in economic expansion, action which increased an already admitted deficit was not taken seriously until the total estimated gap approached $10 billion. This round figure seemed to produce the same shock effect that any imbalance had a few years previously, and the budget constraint again became effective. In 1962, when the policy criterion had changed, a deficit up to but not above the level actually incurred involuntarily a few years previously seemed to be taken as a "safe" figure which could be not only accepted but sought.

More recently, concern about deficit financing subsided and the deficit has continued to mount until the figure of $29 billion was reached in one of the projections. This seemed to have the same psychological impact as did the $10 billion figure in 1958. And this is the situation in the latter part of 1967. Votes against a tax increase do not typically represent enthusiasm for or even approval of the deficit. Rather, they seem to reflect an almost desperate attempt to force the Administration to join with the Congress in a serious review of programs in a situation when even any likely curtailment of spending will still leave an inflationary deficit. There is some precedent for forcing executive action by legislative inaction. The delay by Congress in voting a tax reduction until after the budget was presented in January 1964, probably kept spending plans down in that year.

"Fine tuning" through changes in tax deductions and credits was thoroughly discredited in the Congress by the fiasco over the repeal and reinstatement of the investment credit. The idea that major investment programs in business could be turned off by the suspension of the investment was unrealistic. Once embarked on, efficiency requires completion of a major program. The results of a repeal of the credit thus will lag behind the act, perhaps into the later period when, under "fine tuning," expansion might be desired. But when a restoration of the credit is authorized for a specified date in the near future, projects not yet in the process may be postponed; a few months delay may justify the cost advantage.

The probability of a surge in capital expenditures when the credit was restored was so widely recognized that the date of restoration was advanced and in fact established retroactively. Another generation in a later Congress may try the experiment again, but statements of those most immediately involved indicate that they will not join in a repetition. The estimates of economic activity have been stated to be too uncertain for Congressional action on temporary suspension, and the results of a suspension have been found to be too slow at the start and perversely pronounced at the end.

On the general issues of fiscal policy, I venture the following summary. We have learned, long since, that a reduction in expenditures or an attempt to increase revenues in a period of recession will accentuate the recession. It is improbable that any party at any time will attempt to balance an unbalanced budget during a recession. Also, we know that there is substantial growth in government revenues in an expanding economy. But we have learned from very recent experience, what we should have known already, the government expenditures also have an upward momentum and may absorb available revenues. Inflationary deficits seem a much greater and more persistent danger than does any probable fiscal drag. Continuing deficits are especially unacceptable in an economy which seems to have other inherently inflationary forces, including the expected pattern of wage increases.

The intriguing models of rapid and frequent changes in tax rates, deductions and credits for fine tuning have been proven impractical in our world of political realities. In the final balance, attempts to achieve too much by fiscal policy have thrown an altogether unreasonable and impossible burden on monetary policy. Some theorists who favored the recent experiment will simply complain that the public does not understand economics. Others seem already to be recognizing that a theory which ignores realities should not be used as a basis for public policy.

Theory has not only lost touch with reality regarding the necessary level of total revenue and the difficulties of obtaining it. Much of the current theoretical literature seems also to have set up goals and models for changes in the tax structure which are more impressive as intellectual achievements than useful programs in the real world. I shall refer only to the proposal for a comprehensive tax base and the emphasis on economic neutrality as a major criterion of policy.

The inclusion of gifts, bequests, and capital gains along with ordinary income in a comprehensive tax base for the taxation of individuals is proposed under a concept of equity which has a background as distinguished as it is limited. Some of those who most ardently advocate the comprehensive tax base frankly admit that it rests on a subjective value judgment which others may not accept. Other advocates seem to insist that the general public should feel unfairly treated in the absence of a comprehensive tax base, even if they do not actually feel abused, and that the rather esoteric theoretical ideal of equity based on the net accretion concept alone embodies righteousness. The attitude of the protagonists sometimes seems as arrogant as that of the economist who said that if the American people had understood economics his erroneous prediction would have been realized.

For many generations and for many purposes, the distinction between capital and income has been important. The line of demarcation is at times obscure and, with increasing complexity in investment and business transactions, it has at times been necessary to draw the line in a somewhat arbitrary manner. But the basic distinction is still valid. It is, I think, still correct to say that any economic entity, be it an individual, a business, or a nation, which confuses capital with income has a fair chance of consuming the former with a consequent reduction in both wealth and income.

In spite of this solid and important distinction between income and capital, a number of brilliant and persuasive writers in public finance theory have adopted a concept that transfers of capital between individuals and between assets by a single individual have the same tax-paying capacity as the receipt of ordinary income. (In the case of transfers between individuals, the full amount of the capital value of a gift or bequest would be included in the tax base; in the case of transfers between assets by an owner, the gain only would be included.) The comprehensive tax base is plausible and respectable, though it would significantly deplete the supply of capital. But personal consumptions expenditures would also provide a plausible and respectable tax base, and its adoption would significantly increase the supply of capital.

The popularity of the comprehensive tax base among its advocates probably rests to a considerable degree on their strong predisposition in favor of redistribution of wealth and income. Attitudes on this issue reflect individual value judgments on ethical and social grounds. It is notable, however, that many writers in public finance place such a high value on redistribution, regardless of the extent of redistribution already achieved by a tax structure, that they are inclined to favor any proposal which produces still more redistribution. And they are inclined to reject any which permits increases in higher bracket incomes and wealth, even if associated with greater income and wealth at all levels.

The criticism so often and so justifiably made that in many of the developing countries policies arising from an obsession with redistribution have the effect of limiting economic growth and making everyone worse off applies in less obvious ways here. (The familiar analogy is that controversy over the size of the slices in the pie distracts attention from baking bigger pies from which everyone could get bigger slices.) Perhaps we are sufficiently affluent to afford the luxury of pushing redistribution to a point where it restricts growth if that is what we want, but it should be a conscious choice of alternatives and not assumed to be universally desired regardless of the price in terms of national income foregone.

The effects of adoption of a comprehensive tax base on the supply of capital should be self-evident. Common sense suggests and recent studies confirm the fact that propensities to consume and save vary with the nature and regularity as well as the amount of income and other receipts. Certainly, substantial bequests and gifts of capital sums are not typically regarded as income, or as funds properly spent on consumption. They are likely to be retained as capital. And if taxed away under a comprehensive tax base they are not likely to be restored by unusually high savings from regular income.

Personal attitudes regarding capital gains probably vary more than those regarding capital gifts and bequests. Some consider increases in the value of capital assets as being embodied in capital from their inception and the use of a capital gain for current consumption as being as imprudent as the use of capital itself. Continued depreciation in the value of the currency only reinforces this view. Under this concept, a tax on capital gain is simply a selective capital levy which, though it may have a proper role in a tax structure, should not be confused with an income tax.

Others, with equal conviction, regard a capital gain as income, both in their personal use of gains and in the abstract. It seems probable, in fact, that one's attitude regarding the proper tax treatment of capital gains depends on his own uses of gain. For those who treat gains as windfalls to finance more expensive vacations or, if recurring, a higher standard of living, taxation as income is reasonable.

Unfortunately there is no statistical basis for comparing these two points of view, either by numbers of people or by amounts of total gain involved. About all one may hope for is tolerant recognition by each of the other's concept. The former, which I hold most emphatically, is less often reflected in public finance literature, though it seems very likely that capital accumulation in this country could not have proceeded as it has unless many others treated gains as capital or, if income, as income subject to a peculiarly high propensity for saving. It is hard to imagine that full taxation of gains would not reduce a country's supply of capital below the level it would otherwise attain.

Tax-free roll-overs of realized gains and full taxation of gains used for consumption would seem to give reasonable recognition to both points of view and have minimum adverse effects on the supply of capital. For those who are particularly concerned with redistribution of wealth, in addition to equalization of living standards, tax-free roll-overs, or taxation of reinvested gains at a low rate, would not be acceptable. The proposal, however, deserves more attention from the standpoint of the various concepts of equity, the effects on redistribution of wealth as distinct from effects on differences in standards of living, and the effects on the supply and the use of capital. Supply and use are both influenced by capital gains taxation.

Many other aspects of the concept of the comprehensive tax base deserve specific attention. There is a disposition among its advocates to extend the tax base to virtually all fringe benefits, regardless of the reason for their existence. An excess of enthusiasm can lead to unreasonable complexities in the law and its administration. The taxation of fringe benefits created largely to avoid taxation is necessary to maintain general taxpayer morale. But attempts to cast the tax net over all sorts of imputed income and income in kind will produce little more than intellectual satisfaction to theorists at the expense of great annoyance to many taxpayers.

The comprehensive tax base has great appeal to many people. I suggest that it is by no means the only respectable tax base, and that its adoption would produce adverse effects on supplies of capital and administrative difficulties, as well as being in conflict with the concepts of equity of many people.

I shall comment only in the most general terms on the recent emphasis on economic neutrality as a major criterion for tax policy. Attention to economic neutrality reflects a high respect for the free play of market forces in decisions on consumption, savings and investment. It is, however, more than moderately surprising that many of those who are the strongest advocates of economic neutrality in tax policy are the strongest opponents of neutrality regarding the division between the public and private sectors of the economy and in the distribution of the income left in the private sector.

But neutrality in tax policy appears to have appeal both to those who would have the state intervene to collectivize and redistribute income and to those who prefer a greater degree of free market economy in all respects. The latter, however, though they may sympathize with the theory of tax neutrality in the abstract, recognize that in the real world there are so many other nonneutral aspects of policy that neutrality in one area may not increase neutrality on the average. Furthermore, a shift to tax neutrality could be disruptive and also conflict with other important national goods. Complete neutrality in tax policy may, for example, decrease corporate retained earnings with no likelihood of an offsetting increase in individual savings. And the removal of differential tax treatments may lead to abrupt shifts between industries or prices of products.

The differing attitudes of people to economic neutrality seems worthy of comment. To some, even to some economists, the goal is a rather esoteric one, hardly suitable as a basis for a political issue or for personal emotion. For others, and probably only for economists, indignation about nonneutrality can be stronger than indignation about inequities. The point was most clearly demonstrated in the discussions in the Brookings conference on the tax treatment of oil and gas income. As the discussion developed it seemed to indicate that the effects of the special tax treatments in general were reflected in increased investment in the industry and lower prices for the products, rather than in unreasonably high profits. Some individuals felt that if this were true, the issue was much less significant than it had been thought to be when attention centered on the effects on individual fortunes and net incomes. But others were more concerned, and more indignant, at the thought of "misallocation" of resources, a point of view probably only possible for a theorist.

In another area, tax neutrality regarding foreign investment by business has often been emphasized in both public finance literature and recent proposals for legislation. Much of the analysis and many of the proposals tacitly assume an ideal world in which all other countries have objectives and policies of neutrality, a situation which most emphatically does not exist in fact. Thorough analysis of comparative treatments and relative competitive positions would seem to be more useful as guides for policy than further refinements of models of neutrality.

It seems likely that economic neutrality will receive increasing attention in public finance literature and in proposals for changes to conform to theoretical models. This, I suggest, is an area in which conflicts with reality may be especially acute. Models for neutrality can be simple or elaborate and they are always intriguing to specialists. Hopefully, others will be equally intrigued with analyzing the impact of tax changes toward neutrality in the real world which is full of nonneutral factors and policies and in which many national objectives require nonneutrality.

Analysis which points out nonneutralities and measures their effects can be valuable for rational decisions on public policy. But an elevation of neutrality to a major role as a criterion of policy, with inadequate analysis or unrealistic presumptions about its effects, is not likely to be helpful in dealing with the complex problems of the real world.

BIG DROP IN NEW ORDERS DISCREDITS TAX INCREASE PROPOSAL

Mr. PROXMIRE. Mr. President, I fully appreciate the aversion to beating an old bag of bones. The administration's tax increase proposal may be dead for this year. But next year is nearby, and sentiment for the tax increase continues in the face of economic developments that continue to discredit it more every day.

The economic-academic fraternity continues to contend that only fear and voter aversion to tax increases stand in the way of the logical anti-inflation prescription: a tax increase.

And they continue to be wrong.

The latest development was reported in this morning's newspapers. Factory orders fell in September for the third consecutive month. The drop was almost $1 billion, the steepest decline of three consecutive monthly reductions in new orders.

Mr. President, this is hardly the performance of an economy that is about to burst at the seams in uncontrollable demand pressures sure to drive prices up. New orders are among the best—perhaps the best—single indicators of the future performance of the economy, and this indicator says the economy is going down not up. If this is true, the case for a demand depressing tax increase evaporates.

Second, the disappearance of the stimulus of the Vietnam war is becoming increasingly apparent, and it was the Vietnam war escalation which was, along with the 1964 tax cut, primarily responsible for the sharp inflationary push on the economy in the period from mid-1964 through mid-1966.

Mr. President, I ask unanimous consent that an article published in the Wall Street Journal of this morning, reporting the fall in factory orders, be printed in the RECORD. Also, I ask unanimous consent that an article written by Joseph R. Slevin, analyzing the diminishing stimulation of the Vietnam war on the economy and published in this morning's Washington Post be printed in the RECORD.

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

FACTORY ORDERS FELL IN SEPTEMBER FOR THIRD MONTH—BOOKINGS DECLINED 2.1 PERCENT FROM AUGUST—SHIPMENTS WERE ALSO DOWN—BACKLOGS ROSE—FORD STRIKE PARTLY BLAMED

WASHINGTON.—New factory orders dropped in September by almost $1 billion, the Commerce Department said, the deepest of three consecutive monthly declines.

Shipments slid even more steeply, the report showed, while the backlog of unfilled orders moved up moderately and inventories edged above their August level.

The factory-orders inflow was a seasonally adjusted $44,945,000,000, the report said, down 2.1% from the upward-revised $45,900,000,000 of August; the bookings, a key guide to future production, had dropped by 9.2% in August and in July.

The latest falloff, which was foreshadowed by a previously reported drop in the inflow of orders for durable goods, isn't a sign of general weakness, Johnson Administration officials assert. Much of it was due directly to the Ford Motor Co. strike, they say, adding that "secondary effects" of the work stoppage might account for much of the rest of the decline.

Factory inventories equaled 1.83 months' sales at the reduced September pace, the department said, up substantially from the 1.78 ratio at the end of August and sharply above the 1.70 of a year before; a high ratio usually leads industry to hold down production, but Government men contend that rebounds from strikes are apt to be brisk.

AUTO-DATA REVISIONS

Downturns in a wide range of industries left the new orders total almost $1.4 billion below the last record of $46,318,000,000 set a year before; it was the lowest level since last April.

Durable-goods ordering was off 2.3% from the month before; this was less adverse, however, than the 3.2% drop originally reported before auto data was revised upward. Nondurables ordering was down 1.9% after a 0.4% decline in August.

New orders received by the machinery and equipment industries dropped to $4,647,000,000 from $5,058,000,000 the month before, which analysts say isn't too surprising in light of the strong gains in prior months and the general expectations that business plant and equipment outlays will rise only slightly this year and next. A year earlier, such orders totaled $4,906,000,000.

The overall orders drop would have been much more severe, the statistics suggested, if it hadn't been for a jump to $3,549,000,000 from $2,841,000,000 in "defense products" orders. This measure is a rough guide to Pentagon purchasing, including both civilian and military business in the aerospace, ordnance and communications industries, but omitting other military goods. Even with the jump, though, such ordering was much smaller than the $4,671,000,000 of September last year.

Ordering for such consumer durables as furniture and appliances declined to $1,773,000,000 from $1,859,000,000 the month before; the total was the slimmest since May and barely above the like 1966 month.

SHIPMENTS DECLINE

Factory shipments in September sank 2.7% to $44,448,000,000 after gaining 0.6% to an upward-revised record $45,675,000,000 in August; the total was the slimmest since last April, and less than $360,000,000 above a year before. The 3.7% drop from August in durables' shipments reflected the auto strike and a "mixed pattern" of ups and downs among other hardgoods makers, the department said. The 1.6% slippage in nondurables came as "moderate decreases" in most industries more than offset "small increases" in oil, coal and leather, it said.

Manufacturers' inventories edged up by only $36,000,000 to $81,406,000,000 at the end of September, but were almost $7,000,000,000 higher than a year before. Stocks of durable-goods companies slipped slightly, and nondurable stocks rose a little.

The September standoff in inventories, following a $473 million advance in August, is in line with Government expectations that inventories will show little change for a while and then resume a normal rise; a massive pile-up of inventories late last year and consequent production cutbacks as regarded as major causes of the softness in the first half of 1967.

With new orders outstripping shipments for the fifth consecutive month, the backlog of orders rose to a record $80,482,000,000 from $79,985,000,000 at the end of August. Much of the advance was in defense industries, which had a backlog of $34,607,000,000 at the end of September; backlogs of the machinery and equipment industry and the consumer durables industry both declined slightly.

Here is the Census Bureau's monthly tabulation of manufacturers' shipments, inventories, new orders and unfilled orders (in millions of dollars):

SHIPMENTS

	Unadjusted		Seasonally adjusted		
	September 1966	August 1967 [1]	September 1967	August 1966 [1]	September 1967 [2]
All manufacturing	46,170	44,413	46,366	45,675	44,448
Durable goods	23,753	22,089	23,363	23,633	22,750
Nondurable goods	22,417	22,324	23,003	22,042	21,698

INVENTORIES

	Unadjusted		Seasonally adjusted		
	September 1966	August 1967 [1]	September 1967	August 1966 [1]	September 1967 [2]
All manufacturing	74,417	81,013	80,897	81,370	81,406
Durable goods	47,319	52,631	52,487	52,784	52,766
Nondurable goods	27,098	28,382	28,410	28,586	28,640

NEW ORDERS

	Unadjusted		Seasonally adjusted		
	September 1966	August 1967 [1]	September 1967	August 1966 [1]	September 1967 [2]
All manufacturing	48,083	44,630	46,660	45,900	44,945
Durable goods	25,810	22,268	23,652	23,726	23,183
Nondurable goods	22,273	22,362	23,008	22,174	21,762

UNFILLED ORDERS

	Unadjusted		Seasonally adjusted		
	September 1966	August 1967 [1]	September 1967	August 1966 [1]	September 1967 [2]
All manufacturing	79,213	80,400	80,697	79,985	80,482
Durable goods	75,673	77,187	77,477	76,801	77,233
Nondurable goods	3,540	3,213	3,220	3,184	3,249

[1] Revised. [2] Preliminary.

VIETNAM SPENDING UPSURGE BEGINNING TO FLATTEN OUT

The big Vietnam spending upsurge is at an end. Defense Department outlays have climbed above the $75 billion a year mark and Administration officials predict that any additional increases will be small.

Vietnam spending is flattening out because the tremendous U.S. military build-up is almost complete. Officials say there will be no decline so long as the war continues but they contend that outlays will not rise significantly again unless President Johnson orders a sharp, new escalation in the Southeast Asia fighting.

The end of the Vietnam spending boom is a major economic development. Rapidly climbing military buying has provided the chief economic thrust for the past two years. But now the main spur will have to come from consumer purchases, home-building, the completion of the much talked about inventory correction, and other civilian activities.

There is a widespread disposition to be deeply skeptical of official suggestions that the military buying upsurge is over. Administration officials repeatedly have underestimated the cost of the Vietnam war. However, the evidence is that this time they will be proved right.

"From an economic standpoint, you cannot count on any significant lift anymore from defense," a key official declared. "For all practical purposes, the impact of the Vietnam build-up is finished."

New figures disclose that the Pentagon's multi-billion-dollar aircraft and ammunition outlays actually have started to edge down. Aircraft spending hit a peak during the spring while ammunition purchases topped out in the early summer.

Construction expenditures are falling rapidly. Most of the huge harbor, airport, and military base installations in Vietnam are nearly completed. The construction companies are laying off workers.

The armed forces now have all but 80,000 of the 3,460,000 men who are to be under arms by next June 30. Spending for uniforms and other equipment has leveled out.

The military's tremendous transportation expenses are dropping sharply, too. Most of the Vietnam units have arrived in Southeast Asia and vast stocks of supporting munitions have been shipped across the Pacific.

Defense Secretary Robert S. McNamara recently cancelled the costly use of chartered aircraft to ferry men and supplies from the U.S. to Vietnam. "We were moving all kinds of junk by air," a Pentagon official snapped. "We've put an end to that."

Fewer ships are being used, as well. While enormous quantities of replacement ammunition, spare parts, food and other supplies still must be sent to Vietnam, the completion of the port construction work has chopped the turn-around time for freighters. They no longer have to wait weeks to be unloaded and the military cargo backlog has been cleaned out of West Coast ports.

The Defense Department originally took 172 ships from the mothball fleet to meet Vietnam requirements. McNamara has ordered that 16 be laid up again and more are due to go back into moth balls before next summer.

Employment has stopped rising in defense industries such as aircraft, electronics, ordnance, shipbuilding, and communications. Their working forces hit a peak earlier this year and have been holding steady ever since.

Looking ahead, officials believe that the future holds more of the same.

McNamara is under intense White House pressure to keep defense spending from increasing again. The best judgment of knowledgeable officials is that the topping out of the Vietnam buildup is giving the bespectacled Cabinet Officer a better than even chance of enforcing the spending lid that Mr. Johnson has been demanding.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN EXPRESSES CONCERN OVER ASPECTS OF SOCIAL SECURITY BILL

Mr. METCALF. Mr. President, the American Association of University Women has expressed to me its concern over certain aspects of the House passed social security bill, H.R. 12080. Specifically, the association is troubled by the minimal increase in OASDHI benefits, failure to include disabled beneficiaries under medicare, the requirement that AFDC mothers participate in work and training programs and the proposed freeze on the number of children in each State eligible for AFDC support.

I believe that this correspondence will be significant as we discuss H.R. 12080. I therefore ask unanimous consent that it be printed at this point in the RECORD.

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

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D.C., October 23, 1967.

Hon. LEE METCALF,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR METCALF: The support of the American Association of University Women for the principles behind the nation's Social Security program goes back to 1937 when the original act was passed.

We have followed the progress of the Social Security Amendments of 1967 with keen interest and wish to make some observations, particularly on H.R. 12080 the House passed bill.

In general the changes made in the House passed bill from the Administration's proposals reduce the size of the benefits to the aged, restrict the availability of medical assistance, and limit the present use of Aid to Dependent Children.

For these reasons, the American Association of University Women calls for a reconsideration of the initial proposals offered in February, and dissents from certain aspects of H.R. 12080. In particular, the Association questions: (1) The Act's minimal increase in OASDHI benefits; (2) its failure to include disabled beneficiaries under Medicare; (3) its requirement that AFDC mothers participate in work and training programs, and (4) the proposed limitations on the number of children in each state eligible for AFDC support. The basis for the Association's dissent is as follows:

(1) *OASDHI increase in benefits.* The Administration proposed a 15% general increase in benefits, and an increase in the minimum benefit (from $44 to $70 per month for one person, and from $66 to $105 per month for a couple), to be financed by an increase in the taxable base to $7800 in 1968, $9000 in 1971, and $10,800 in 1974 (from the present base of $6600). Very small increases in the scheduled contribution rates were also to start in 1969.

H.R. 12080 increases the benefits by 12½ percent and raises the minimum benefit from $44 to $50 a month (from $66 to $74 for a couple) to be financed by raising the wage base to $7600 on January 1, 1968, and by increasing the rate by .25 percent on employer and employee.

Two summary statements argue for the larger increase in OASDHI benefits. One, the Department of Agriculture's economy budget (which allows about 22¢ per person per meal) calls for a minimum annual money income of $1470 for an aged person, and $1850 for an aged couple not living on a farm. Two, these figures are higher than the average social security benefit for persons ($84 per month) and couples ($143 per month).

(2) The House bill failed to include disabled beneficiaries under Medicare on the grounds that their coverage would be considerably more expensive than that for the aged. Earlier, the Social Security Advisory Council recommended coverage of the disabled, and it is obvious that their need for such coverage is great.

(3) H.R. 12080 requires every state to set up work-training programs for all unemployed adults and older children who are receiving AFDC. With regard to forcing mothers of dependent children to enroll in such programs, it seems to me that Secretary Gardner's protest might well be that of the Association. He objected, he said, to "any atmosphere of coercion about training because the great bulk of the people we're concerned with here are mothers, and there is a real question as to whether society gains if a mother leaves four children to go to work."

(4) On AFDC, H.R. 12080 further limited the proportion of children under 21 in each state who could receive aid in the absence of a father to the percentage of AFDC children on the state rolls as of January 1967. Such a restriction is quite unrealistic, given the interstate mobility of families and the strong probability that particular states will continue to receive more in-migrants than out-migrants. To quote the Secretary again, such a percentage limit would cause children "to pay for the real or supposed sins of their parents."

As we recognize your dedication to the welfare of children we ask your help in procuring enactment of a Senate bill with provisions closer to those proposed by the Administration.

Sincerely yours,
GLORIA PETERS,
Area Representative in Community Problems.
Dr. VICTORIA SCHUCK,
Chairman, Legislative Program Committee.

THE STRIKE IN THE COPPER-MINING INDUSTRY

Mr. MOSS. Mr. President, for well over 100 days now, the employees of Kennecott Copper Co., and others in the mining industry, have been on strike in Utah in an attempt to negotiate a new contract of employment. The impact is very serious on the economy of my State. Governor Rampton has made several efforts to bring the parties together to accomplish meaningful collective bargaining leading to a new contract. So far his efforts have been unavailing. There does not appear to be any prospect of settlement in view.

Naturally, with this condition prevailing in my State, there have been a number of suggestions made as to how the dispute might be dealt with, both presently and in the future. One such suggestion was made by Paul Thatcher, an attorney at law in Ogden, Utah. The second suggestion has been made in an editorial in the Ogden Standard Examiner for October 22. While I do not necessarily subscribe to everything stated in these documents, I think they should be put on the record for all to read and to discuss. In my opinion, we must find some way to protect the public from prolonged work stoppages. Not only the workmen in the affected industry and the stockholders of that industry suffer, but the damage spreads out to other workers in other companies who are not involved in any way in the strike. In our highly complex and closely integrated economic society, we must devise a better way of bringing to a conclusion bargaining sessions between management and labor.

I ask unanimous consent that the two documents be printed in the RECORD.

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

[From the Salt Lake (Utah) Tribune, Oct. 17, 1967]

REGULATION FOR LABOR

EDITOR, TRIBUNE: Years ago we Americans recognized, and Congress and many legislatures declared that labor-management relations vitally affect the public health, safety and welfare.

Labor Relations Laws were enacted, intended to secure a just and enduring industrial peace serving the interests of all. By those laws we created Big Labor—a virtual independent sovereignty within our nation—hoping it would secure industrial peace by a "balance of power" with Big Business.

Years have passed, but peace and order in labor-management relations still elude us. Daily we read and hear of long continued strife and bitterness in labor relations, of strikes, of violence and sabotage, of idleness and waste.

Clearly the laws we adopted have missed their mark. It is time to take a fresh look and more effective action.

A just and practical solution can be found in the principles and procedures used in regulating the public utilities, whose operation also affects the public interest. If a utility wants a rate increase or a change in operations, it files its proposals with the Public Service Commission. All concerned, including the public, are given a fair, open hearing, and the facts are investigated and determined. The commission then authorizes such changes as the evidence shows are fair, just, and compatible with the public interest.

This system has well and fairly regulated monopolistic utilities. It should as well and as fairly regulate monopolistic Big Labor—to the benefit of all.

PAUL THATCHER.

[From the Ogden (Utah) Standard-Examiner, Oct. 22, 1967]

NOVEL INDUSTRIAL STABILIZATION ACTS POSSIBLE MODEL FOR PEACEFUL LABOR

It's a long ways from Utah to the historic Caribbean islands of Trinidad and Tobago. But a novel Industrial Stabilization Act now in use there offers itself as a possible model for achieving labor peace here in our own state.

When Utah Gov. Calvin L. Rampton intervened personally in a vain attempt to bring peace to the state's paralyzed copper industry, he was criticized in some selfish sources as having no business intervening in a labor dispute.

The governor replied that he was acting upon behalf of the people of Utah, whose economy has been crippled for 100 days by a strike for which no settlement is in sight.

All that Gov. Rampton could do, in asking the opposing sides in the deepening copper controversy to get together, was to use the prestige of his office. He had no legal power to request the strike to end.

Had Gov. Rampton been the chief executive of the independent state of Trinidad and Tobago, he would not only have had the power to intervene but the duty. And the contesting parties would have been required, under a unique "Industrial Stabilization Act," to submit their dispute to a potent Industrial Court. The court's decision would have been final.

The Trinidad-Tobago system of industrial peace provides an ingredient sadly lacking in U.S.-style labor relations. It provides a voice for the people, the public, who—as in the current Utah copper situation—are so badly hurt by labor-management strife.

There's another parallel. The population of the two islands, 20 miles apart in the Windward Islands of the "Lesser Antilles" chain just north of Venezuela, was 950,000 when they became independent members of the British Commonwealth on Aug. 31, 1962. They now have more than one million residents, almost identical with the population of Utah.

The program they have adopted is a thought-provoking one. It is well worth the study of Utahans—and others in our country—who are interested in securing a sensible method of settling unreasonable labor fights.

The new, written constitution of Trinidad and Tobago is a model in many respects, taking its cues from the best portions of the U.S. Constitution and the British form of government. In its preamble, the carefully written document stipulates that

the people of the two islands "recognize that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law."

Their parliament consists of a 24-member Senate, appointed by the Crown-named governor-general from a precise list of nominees, and an elected, 36-member House of Representatives. The governor-general is actually powerless; the chief executive is a prime minister.

The system of courts follows, again, a combination of American and British forms, pledged to protect fundamental freedoms and human rights of the multi-racial island society.

The original constitution had no specific provisions on labor courts. However, a state of unrest developed in early 1965 in the all-important sugar belt of Trinidad, brought about by what J. Algernon Wharton, an attorney in Port of Spain, the capital city, called "conflicting trades union interests."

A limited state of emergency was declared. During it the parliament, on March 20, 1965, passed the Industrial Stabilization Act. Its preamble describes it as "an act to provide for the compulsory recognition by employers of trade unions and organizations representative of a majority of workers, for the establishment of an expeditious system for the settlement of trade disputes, for the regulation of prices of commodities and for the constitution of a court to regulate matters relating to the foregoing and incidental thereto."

In plainer language, it resembles the U.S. Taft-Hartley Labor Act, up to a point, but adds a provision for what amounts to compulsory arbitration.

If a dispute develops, the Minister of Labour tries to obtain a settlement. Failing this, he refers the matter to the Labor Court, whose opinion is binding. Appeal can only be taken to higher courts except on points of law, not on the merits of the dispute itself.

Since its enactment, the Industrial Stabilization Act has survived a critical test in the nation's highest courts, which upheld its constitutionality.

The act was a major issue in a parliamentary general election in November 1966. The union-sponsored Workers and Farmers Party demanded its repeal. But the unionists failed to win any of the 35 House seats; one member, a veteran of several prior assemblies, was even rejected in his bid for re-election.

The people of Trinidad-Tobago, in other words, liked the Industrial Stabilization Act and wanted it to remain in force. We sympathize with them, feeling they are on the right track.

During its first year of operation, the court considered 70 trade disputes referred to it for final determination and one case that came up simply for advice, another desirable provision of the act. It settled them all.

The act has a fine set of teeth, applicable to both management and labor. An employer who declares or takes part in an illegal "lockout" is subject to a penalty of $20,000 in fines, three years in prison or both the fine and prison sentence.

Unions violating the act face a fine of $10,000 and loss of their registration—their charter. Individual union officers can be assessed fines of $2,500, a 12 months' jail term or both; non-union striker leaders can be fined up to $5,000, jailed for two years or be given both penalties. Individuals who strike illegally can be fined $250 or jailed for three months!

This measure used by Trinidad and Tobago is mighty extreme. American labor and management associations may charge that it interferes with the traditional rights of collective bargaining.

We do not believe that it does. If used in Utah or in the United States at large, it could bring order out of the labor chaos already upon us. This situation, with strike threats in many major industries, is apparently going to grow worse.

The time to adopt laws that protect the public instead of only the selfish interests of shortsighted unions and companies, is upon us. The Trinidad-Tobago Industrial Stabilization Act could well serve as an effective model.

LESSON IN LEATHER

Mr. HANSEN. Mr. President, sometimes it seems that whenever a bureaucrat is overcome by the urge to manipulate some segments of the economy, he always wants to experiment first on the farmer.

I am thinking of the unfortunate adventure last year into price manipulation of the price of hides by the Department of Commerce. Last year the price of hides was coming up—at last, after many, many years of scraping bottom. But the Government was persuaded that the manufacturers of shoes and other leather articles needed to be protected from any increase in the prices of raw materials, even though that might mean pushing down the price of hides and the price of cattle. The Government slapped a quota limitation on the quantity of hides that could be sold abroad, and thereby checked the price increase on hides.

An editorial published in the Wall Street Journal a few days ago reminds us of the ultimate outcome of that story. Within a few months it became apparent that the quota on hide exports was unnecessary. Hide prices went down, and the pressure on the American hide market disappeared. But meanwhile foreigners found alternative sources of hides, and much of our foreign market for hides, painfully built up through the years, has now been lost. Also, our foreign customers in some cases have switched over to the use of synthetics in place of leather.

This year American hide exports have fallen by 11 percent during the first 8 months of 1967, compared with the similar period of 1966. The American farmer has had to pay the price of the mistakes made by our economic managers in the executive branch of the Government.

I ask unanimous consent to have printed in the RECORD an editorial entitled "Lesson in Leather," published in the Wall Street Journal of October 31, 1967.

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

LESSON IN LEATHER

The experiences of the cattle hide business in the past couple of years illustrate only too well what usually happens when the Government tries to manage free markets. Unfortunately, a good many people apparently haven't been watching.

The crisis began in 1965, when drought and other factors forced Argentina to cut back its sales of cattle hides in world markets; together with growing world demand for leather shoes, the move enabled U.S. suppliers to step up their exports of hides.

Naturally enough, the growing demand began boosting hide prices in the U.S., a trend that American producers of shoes and other leather goods did not like at all. By early last year they had persuaded the Commerce Department that a critical situation existed, so the Government decreed a quota on exports.

Quotas, of course, are extremely difficult to enforce, since the Government (as yet anyway) has not chosen to go at the job with Gestapo-like policing. In fact, during the six months or so that the curbs were in effect, exports actually rose slightly, instead of going down as the Government had intended.

With the quotas officially dead, though, they're having some decided effects. Foreign buyers, unsure whether the U.S. will again start fooling around with world trade patterns, have understandably started looking elsewhere for supplies.

Memories of the Governmental intervention, moreover, have probably helped spur foreign use of synthetic materials as replacements for leather. In any case, America's hide exports in the first eight months of this year fell 11% from a year earlier.

Now the U.S. hide men have a new problem: Imports of shoes, made from foreign leather or synthetics, are rising swiftly. This trend is trimming output of shoes in this country, further restricting the market for U.S. hides. So the hide merchants are joining shoe makers, steel companies and others in pleading for the Federal Government to protect them with elaborate new import quotas.

Leather, it's worth noting, is already losing ground to synthetics in the U.S. But the hide men presumably have no trouble ignoring that since they've so speedily forgotten their own sorry experiences with Federal market management.

SOUND LOAN ASSISTANCE TO FAMILY FARMERS

Mr. McGOVERN. Mr. President, like every other Senator from a predominantly rural State, I have been deeply concerned by the steady decline in the number of farm families since the end of World War II.

In South Dakota this decline has been at a rate of about 1,000 farmers a year. In 20 years we have lost more than 20,000 farm families. This has not only deprived my State of many splendid farm families, but has had a serious economic impact on many of our rural communities.

There are many reasons for this decline, but the 1964 Agriculture Census shows that much of the decline in farms, particularly in my State, is due to older farmers retiring. This fact suggests the question:

Why are young farmers not taking their place?

One major reason is that they lack adequate sources of credit to get into farming.

I am encouraged by what the Johnson administration is doing to rectify this problem—to close the farm credit gap.

I refer to the new and enlightened credit policies of the Farmers Home Administration in its farm ownership loan program.

During fiscal year 1967, the Farmers Home Administration advanced more than $14 million to farm families in my State so they could purchase, enlarge or improve their farms. In 1960, just prior to this administration, only $1.8 million was loaned for the same purpose. That is more than a 700-percent increase.

In all, approximately 3,000 South Dakota farmers have received farm owner-

ship loans from FHA since 1961. Many, if not most of these farmers, without this credit resource, would have long since left the land to seek employment elsewhere. Most likely in our cities.

What has happened in South Dakota under this fine loan program is reflected even more dramatically on a national basis.

In fiscal year 1960, the FHA, under the previous administration made less than 3,000 farm ownership loans in the entire United States for a total of $43 million. Last year, the same agency advanced more than $260 million for farm ownership. Since 1961, the Farmers Home Administration has loaned more than $1.3 billion in this program and today nearly 100,000 farm families are using this source of credit.

I say this is real progress—a complete turnaround in farm credit policies and it represents one of the best investments we can make to sustain and improve our farm family agricultural plant.

There are those who say, Mr. President, that such a modest loan program which provides credit only to those farmers who cannot obtain credit elsewhere, merely perpetuates the number of low-income marginal farmers who have no business in agriculture.

The facts prove otherwise. They indicate that it is providing an opportunity for people who lack only capital to succeed.

A survey of FHA farm ownership borrowers shows that on the average over a 5-year period, these borrowers raised their gross cash incomes from $10,115 to $18,565 and made substantial gains in net worth.

Furthermore, Mr. President, this program, which is helping to sustain and strengthen the best agricultural system in the world, is costing taxpayers hardly a dime.

More than 95 percent of the funds for these loans come from private sources and are insured by the Federal Government. And the loans are being paid back. Losses are less than one-half of 1 percent of the amount loaned and repayment is currently running 100 percent of the amount matured.

Can any other farm loan institution claim a better record?

I have nothing but praise for Secretary of Agriculture Freeman, for Howard Bertsch, the Administrator of the agency, and for Arlo Swanson, our State FHA director, for the great work they are doing for providing new credit opportunities for our young farm families.

RESOLUTION BY CAPTIVE NATIONS COMMITTEE OF NEW JERSEY, RELATING TO 50TH ANNIVERSARY OF SOVIET REVOLUTION

Mr. CASE. Mr. President, the chairman of the Captive Nations Committee of New Jersey, Mr. Daniel Marchishin, has brought to my attention a resolution relating to the forthcoming 50th anniversary of the Soviet Revolution. The resolution clearly speaks for the hearts and minds of many Americans whose original homelands have become the victims of Communist tyranny. Their message is one that should be heard on this occasion. I therefore ask unanimous consent that the text of this resolution be printed in the RECORD.

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

RESOLUTION, CAPTIVE NATIONS' COMMITTEE OF NEW JERSEY

We, the delegates of Czech, Bulgarian, Byelorus', Estonian, Hungarian, Latvian, Lithuanian, Polish, Romanian, Serbian, Slovakian and Ukrainian organizations representing our peoples who are citizens of the United States of America and who at the same time preserve cultural and spiritual ties with the peoples of our original homelands, do solemnly declare:

1. The forthcoming 50th Anniversary of the Bolshevik (Communist) Revolution fills our hearts with anguish for it represents the beginning of the Imperialist movement which has culminated in the military conquest of our original homelands and in the serfdom of our peoples.

2. Our peoples held under the alien Communist yoke have been deprived of all freedom. On the soil of their own homelands our peoples cannot benefit from their own natural and human resources. The wealth of the land and people has been confiscated by the Communist rulers to perpetuate their positions of power and by brutal suppression and to extend the boundaries of Communist Imperialism by international subversion.

3. The unrelenting resistance by our peoples to Communist oppression in our original homelands is a continuing source of inspiration to us in our new homeland. In recent years we witnessed repeated attempts to regain greater freedom in the development of their national identity and culture. Particularly persistent efforts were made to restore the cultural achievements of their nations and to impress the youth with the feeling of nation pride. The entry into the cultural life during the recent years of hosts of nationally-minded, patriotic men and women clearly reflects a powerful reservoir of resistance to Communist oppression.

4. The Communist tyrants have reacted in typically brutal fashion to crush the persistent aspirations of our peoples to regain the benefits of national liberation and cultural freedom. They have recently suppressed several leading literary persons by imprisonment, bullying, humiliation or by depriving them of their rights of citizenship. They have produced an increasing number of pseudo-historical works degrading our national movements, distorting our political and cultural leaders and deriding the activities of our immigrants in their adopted homelands. They continue to deny all religious freedom in our original homelands and have increasingly interfered with the affairs of our emigrant churches. The increasing sharpness of these attacks serves as a measure of the Communist rulers' apprehension regarding the tenacious yearning of our peoples for freedom.

5. For the above stated reasons, we firmly resolve to persist in our efforts to alert the government and people of our new homeland to the continuing fight of our peoples remaining in their original homelands, and to increase cooperation in our efforts in a brotherly manner. We further pledge to maintain and strengthen moral and material ties with our peoples subjugated within the Communist Colonial Empire.

6. We fervently hope that the government of the United States of America, chosen by us and our fellow citizens, will fulfill our aspirations which are embodied in the Constitution and the Declaration of Independence by giving its moral support for the liberation of our enslaved peoples from Communist regimes' attempts to conceal its true totalitarian nature behind a facade of pseudo-democracy.

7. We solemnly implore the government of the United States of America to refrain from sending congratulations to the Soviet Empire on the 50th Anniversary of the Bolshevik (Communist) Revolution, but to join us in mournful silence remembering the millions of our peoples who have perished from Communist brutality. We also implore our government to refuse to send official representatives to any official observances sponsored by the Soviet Empire, its colonies or protectorates for we deplore the thought that our representatives will be greeting Communist brutes whose hands are smeared with the blood of our peoples.

On behalf of the Captive Nation's Committee.

Chairman.
DANIEL MARCHISHIN,

THE F-111 AIRCRAFT

Mr. TOWER. Mr. President, two interesting stories about the F-111 aircraft have come to my attention, and I ask unanimous consent that they be printed in the RECORD so other Senators may review them.

One is by Mr. Nieson Himmel of the Los Angeles Herald-Examiner. It raises the interesting prospect that the F-111 system may be applicable as the base for a follow-on craft that could orbit and become a maneuverable spacecraft.

The second article by Mr. Jim G. Lucas of Scripps-Howard recounts the enthusiasm being voiced by Air Force pilots working with the F-111. They call it "the plane we've been looking for."

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

[From the Los Angeles Herald-Examiner, Oct. 16, 1967]

F-111 COULD ORBIT, TEST PILOT SAYS

(By Nieson Himmel)

Chief U.S. Air Force test pilot for the controversial F111 swing wing military jet is "high" on the plane's performance, he said today in an exclusive interview with The Herald-Examiner.

So high, in fact, that he believes that with engine and other modifications it could become an orbiting spaceship, possibly capable of interplanetary mission. And for right now, said Maj. Robert K. Parsons, Edwards Air Force Base, it could be "a valuable aircraft for bombing in North Vietnam."

Maj. Parsons made his comments after a symposium here on variable geometry (swing or scissored wing) aircraft. Also speaking was Dan Dudas, a top official on the F111 project for the controversial plane's USAF contractor, General Dynamics, Ft. Worth, Texas.

Both admitted the plane had been having "stall" trouble, but Parsons said the tendency to stall out at various speeds has been corrected in the latest models being delivered.

They also denied technical reports of excessive vibration as it approaches the sound barrier (Mach 1). A congressional source said in mid-August that the F111A (USAF) version with about half a bomb load experienced excessive vibration on the sonic approach. Shaking was so severe, said the source, that the pilot had difficulty reading instruments and in some cases "they were shaking the shackle pins off the bombs."

Other engineers at the symposium said this had occurred, in earlier models, chiefly because of modifications introduced when it was decided to lengthen the plane 10 inches from its original 72 foot design (USAF versions, the F111B for the Navy is 7 feet longer).

The stall trouble occurred because of difficulty with the nozzle at the rear inlet of the jet engine. "It's alignment trouble," said Parsons, "and has occurred on every new military jet engine I know of on all of our current fighters." He said passage into supersonic speed was quite smooth, but could not say whether he tests the plane with bomb loads.

Parsons had some other "minor engineering design criticisms" but he said:

"They are about par for the course and you usually find more in a new ship."

Most serious, however, could be the lack of auxiliary or manual sources of moving the wings (which have a 72-degree sweep) "in event of battle damage in combat to the sweep control." Nor, said Parsons, "is it easy for the pilot to know just how wings are moving (or whether they are moving) and there should be settings shown to indicate the minimum air speed for any angle which the wings can move to."

He denied knowledge of a reported test pilot list which contained 252 deficiencies on the plane including 100 "mandatory for correction."

For space flights, Parson suggested the ship could be equipped with a ramjet engine in addition to the regular jet for the approach to space.

(Expert opinions disagree on the exact limit of outerspace but definitions range from 350,000 to 400,000 feet out.)

"We should also explore its hypersonic capability, although this might call for moving the swing sweep up to 85 degrees (for more rounded smoothness for the entire craft)," said the USAF test pilot.

(Hypersonic speeds begin above 3½ Mach one, the speed of sound).

Chief advantage of the military jet for space application would be "the re-usability," said Parsons, explaining, "just think of the billions of dollars which could be saved if you had a constantly reusably space craft—it could be as much as 90 percent of current space shot costs for booster rocket building, launch facilities, rocket adaptations and so on."

Supply of space stations or satellites, orbital observation and even interplanetary flight were envisioned by Parsons.

The test pilot, who has spent two years with the scissor-winged warplane, said "I am completely sold on variable geometry. If we had only pursued the swept-wing concept when it first came up 15 years ago with full development, who knows how far advanced we would be over today's aircraft?"

Parsons displayed movies of last speed runs of the plane which looks like an aerial coral snake with its layered camouflage.

Among the swept wing advantages cited by Parsons were "ability to avoid buffeting by simply changing the wing sweep." It can climb at a 30-degree angle right from take-off in contrast to other USAF fixed wing craft rates of "10 or 12 per cent." And it can land in 3000 feet without a drogue chute, said Parsons.

Dudas claimed a whole list of advantages of a swept-wing craft over a fixed-wing plane, but carefully pointed out that he was not using F111 performance figures, only theoretical "plots of performance" for a swept-wing plane. (Most F-111 performance rates including top speeds are classified.)

He answered Navy criticism indirectly saying that after catapult from the flight deck, a swept-wing plane has twice the amount of total lift. "Further," he said, "speed of approach can be very much slower, 15 miles per hour is bottom range, to a carrier deck than a fixed wing plane, with 45 MPH." Such an approach would be much safer, he said, and also he said the plane has a 3–2 advantage over fixed wing ships in the "top distance range of its descent to a carrier," another safety feature.

Two Navy admirals bitterly criticized the F111 for being "overweight" for carrier deck operation and other performance requirements. (Grumman Aircraft builds the Navy version, not GD, although the latter is responsible for overall development of the multi-service plane concept.)

Dudas said: "I don't want any controversy with the admirals, but I must say that the plane is presently capable of operation from existing carrier decks and elevators at present weights."

The admirals in testimony had said the plane was 14,000 pounds too heavy (at 62,000) for carrier work and said they saw little chance of it meeting their standards.

LONGER RANGE

Swing-wing planes can loiter one-third as long as fixed-wing craft in event of target or other troubles during a mission and have one-third more range of speed, Dudas indicated.

Ever since selection of the Texas contractor to build the "two-service plane," the F-111 has been the object of bitter congressional criticism. Defense Secretary McNamara overrode a USAF evaluation report which preferred a proposal by Boeing Co., Seattle, as being lower in cost with higher performance promises.

President Johnson was directly accused of taking a hand in the selection. McNamara denied this and said he overrode the Boeing proposal because he felt the costs and performance were not realistic.

Projected cost of the 1500 USAF F-111's and 200 Navy ships was $7 billion. This has now been raised to $10 billion. The defense secretary said a "common plane" between the USAF and Navy would mean total overall program savings of $1 billion.

[From the Washington Daily News, Oct. 20, 1967]

LUCAS GETS THE WORD: PILOTS IN LOVE WITH NEW F-111—TFX WITH ALL THE BUGS OUT CALLED PLANE WE HAVE BEEN LOOKING FOR

(NOTE.—Much has been written about the controversial F-111, formerly the TFX, soon to be sent to Vietnam. But how do the men who will fly it feel about this plane which has created such a storm in Congress and the Pentagon? Jim G. Lucas, just back from Vietnam, spent three day this week looking at the plane and talking to the men who fly it. This is his report.)

(By Jim G. Lucas, Scripps-Howard staffwriter)

NELLIS AIR FORCE BASE, NEV.—The desert air was crisp and clear when Col. Ivan Dethman of Seattle brought her gently down, too new even to have a tail number.

"This is the one we've been waiting for," said Air Force M/Sgt. Charles Hennessee of Morganton, N.C., who heads a 35-man maintenance crew—"the one with all the bugs out."

This—at 1:32 on a Tuesday afternoon—was not just another landing. It was a historic event. This—the 31st F-111 built and flown—was the first production model off the General Dynamics assembly line at Fort Worth. It could revolutionize flying. Or it could turn out to be a five-billion-dollar dud.

An Air Force F-111 crashed recently near Bowie in Northeast Texas. The two crewmen—General Dynamics employes—ejected safely. But Air Force men concede such mishaps are inevitable, and this one is not likely to alter the basic confidence in the F-111 that I found among the men at Nellis.

FIGHT RECALLED

"We make or break the F-111 right here," Maj. Al Sonnett said.

The controversial F-111 program was budgeted at the outset at five billion dollars. It will come to more than that. Each Air Force F-111A was ticketed at $2,800,000. No. 31 cost five million dollars. The Navy F-111B, still a year and a half away, will cost eight million dollars.

The F-111 contract award to General Dynamics was opposed by some who favored Boeing. It has been called the biggest blunder of Defense Secretary Robert S. McNamara, who has pushed it with singleminded intensity. The Navy has never been happy about being dragged into the program; a chief of naval operations who told Congress so was fired by the late President Kennedy. Sen. Karl Mundt, South Dakota Republican, wonders why the landing brakes don't work better than they do.

The Marines have backed off, claiming they don't need the F-111, but the British are in to the tune of 786 million dollars, and so are the Aussies.

GENERAL FLEW PLANE

"All that has been said about this aircraft before it arrived at Nellis is no concern of ours," says Brig. Gen. Ralph G. Taylor, head of the Air Force Tactical Weapons Center. "Our job is to prove or disprove its capabilities."

Gen. Taylor has flown the plane and he says:

"This is one hell of an aircraft we've got here. I tell my men—and they've read a lot and are confused—'Don't knock it until you've flown it.' After you've flown it, you're hooked.

"It gives us a capability we've always need, but lacked, in the Tactical Air Force. The successes we are having with it are unprecedented."

ENTHUSIASM REIGNS

With a note of realism, Gen. Taylor adds, "sooner or later, we'll lose one—that's inevitable—and because it will be an F-111, and because a lot of people are emotionally committed against it—there'll be an uproar, there'll be a lot of 'I told you so.' But that won't prove anything."

There can be no doubting the enthusiasm here. In the Officers Club the talk is even more enthusiastic, if that is possible than on the flight line.

"I'll tell you this," Sgt. Hennessee says, "I helped bring the F-4 into the Air Force in 1963, and I wouldn't want to go back."

There are six F-111s in Nellis, numbers 26 through 31. The others are elsewhere in the Air Force training and research system. The first five here were handbuilt, and there were problems. For one thing, after 1450 miles an hour, they tended to surge and stall. There have been two stalls here, but Gen. Taylor points out, "We've had a worse stall in the F-105."

There were problems with brakes. Treetop speed levels were questionable.

"Surging and stalling has been licked," says George I. Davis of Fort Worth, the General Dynamics representative here. "The thing now is to incorporate the changes into the production models."

FLIERS SATISFIED

Recent congressional testimony was that treetop level speeds are one-third of that guaranteed.

"I'll be honest with you," Gen. Taylor grins. "I don't know what was guaranteed. But as a flier I'll say we are eminently satisfied with this bird's speed at all levels."

Col. Dethman flew No. 31 the 1047 miles from Fort Worth to Las Vegas on automatic pilot, and "I touched the controls on landing and takeoff and it took one hour and 32 minutes.

"I never missed a turning point by more than a foot or a yard," he said. "It was unbelievable."

George Stonehouse, British minister of aviation and a former RAF pilot, flew an F-111.

CALLS IT PERFECT

"It's perfect," he said as he climbed out of the cockpit.

All the men flying the F-111 are Vietnam veterans, and many were skeptical at first.

"Ken Blank came in with a negative attitude," says Lt. Col. Bobby Mead of Van Nuys, Calif., commanding the 4481st Fighter Squadron. "He's positive now."

Maj. Kenneth Blank of Franklin, Nebr., admits he was doubtful: "Who isn't when he's given a new toy to play with?" Maj. Blank was the first F-105 pilot to bag a MIG in North Vietnam.

"I like this bird," he says. "When I came back from over there, all I knew about it I'd read in the papers, and that wasn't good. It has the best avionics I've ever seen. I'm doing things with it I've never done before."

THREE VERSIONS

There are three versions of the F-111. Tactical Air Command has the F-111A. The Strategic Air Command (SAC) will get the FB-111A, which will have longer wing tips, a stronger landing gear to accommodate heavier payloads, and more avionics. The Navy will get the F-111B.

Lt. Col. Roy Burkhart of Del Norte, Col., is the F-111 materiel officer.

"We've had fewer materiel problems than on any other system I've worked on," he says.

"This son-of-a-gun has shown a capability so far superior to anything in the Air Force it's fantastic. Every time I fly it, it amazes me. When it gets to Vietnam it will make a tremendous contribution."

MORE PRAISE

Adds Maj. Al Parks of Little Rock:

"I's the easiest I've ever flown. Its flight controls are outstanding. Its air speeds on final approach are stable. It has excellent brakes. I've landed and turned off the runway within 2000 feet of touchdown."

Maj. Parks has 215 missions over North Vietnam, and has flown the F-111A more hours (140) than any pilot here.

Maj. Bob Autry of Bessemer, Ala., is the F-111A's maintenance officer. "This is nothing if not a great airplane," he says. "I don't have normal maintenance problems. It is the ultimate in sophistication."

Capt. Charles (Beattle) Bailey of Knoxville has 50 missions over North Vietnam. He likes the variable-sweep wings, the automatic terrain following and the inertial guidance. The wings are swept outward for takeoff and landing and swept back for high-speed cruising.

"Hell," he said, "I can drop a 50-foot bomb on a five-foot target with no trouble at all."

Col. Dethman concludes:

"We're satisfied. I don't want to oversell, and I don't intend to. All I'll say is that right now we are damned optimistic about this aircraft."

ADDRESS BY SECRETARY McNAMARA TO NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS

Mr. INOUYE. Mr. President, in addition to directing the massive military might of this Nation around the globe, Secretary of Defense Robert S. McNamara and the Department of Defense are conducting three important programs which are directed toward alleviating certain social inequities in the Nation. These programs are:

Open housing—aimed at eliminating off-base housing discrimination against servicemen. The Defense Department has served notice on the Nation that it will not tolerate segregation of our servicemen in off-base housing.

Project 100,000—to admit draft rejectees to the Armed Forces and return them to society as skilled workers able to make a real contribution to the Nation's economy.

Project Transition—to meet the four basic needs of men leaving the services: counseling, skill enhancement, education, and job placement.

I have no doubt that these three programs are making important long-range contributions to our society.

In an address delivered today at the 43d convention of the National Association of Educational Broadcasters in Denver, Colo., Secretary McNamara gave a progress report on these programs. I ask unanimous consent that his remarks be printed in the RECORD.

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

REMARKS BY SECRETARY McNAMARA TO THE NATIONAL ASSOCIATION OF EDUCATIONAL BROADCASTERS, NOVEMBER 7, 1967

Ladies and Gentlemen, I want to talk to you this morning about the unused potential of the Department of Defense—a potential for contributing to the solution of the social problems wracking our nation.

The Defense Department is the largest single institution in the world: an institution employing directly four and a half million men and women, indirectly employing several million more, and directing the use of nearly 10 percent of the nation's wealth.

The question I want to put to you is this: can these vast resources be used to contribute to our nation's benefit beyond the narrow—though vitally necessary—role of military power?

As a basis for exploring this question, I want to describe to you three projects that are currently under way:

An Open Housing Program, to break through the barriers of racial discrimination in off-base housing for military personnel.

Project 100,000, a program to salvage the poverty-scarred youth of our society at the rate of 100,000 men each year—first for two years of military service, and then for a lifetime of productive activity in civilian society.

And finally, project transition, a program to assist the three-quarters of a million men leaving military service each year to select and train for the role in civilian life that will contribute most to their personal fulfillment and to the nation's benefit.

But before discussing these programs, let me make it unmistakably clear that our primary responsibility and our clear mandate from the President and from the Congress is to procure and maintain in a high state of combat readiness whatever military forces are necessary to protect this nation from external attack, keep our commitments to our allies, and support the objectives of our foreign policy.

We are meeting that responsibility.

Since 1961, excluding those forces added because of operations in Vietnam, we have increased our military capability in every essential category:

A 45% increase in the number of combat assigned Army divisions—from 11 to 16.

A 73% increase in the funds for general ship construction and conversion to modernize the fleet.

A 200% increase in the number of guided missile surface ships—from 23 to 72.

A 300% increase in our inventory of nuclear-powered ships—from 19 to 77.

A 40% increase in the number of Air Force tactical fighter squadrons—from 67 to 94—and a 100% increase in the total payload capability of all our fighter and attack aircraft, Air Force, Navy and Marine Corps.

A 300% increase in helicopter troop lift capability.

A 340% increase in our fixed-wing airlift capability—an increase which will reach 1000% in the 1970s with the introduction of the mammoth new C-5A transport.

A 100% increase in the number of nuclear weapons deployed in NATO Europe.

A 160% increase in the number and total megatonnage of nuclear weapons in the strategic alert forces.

Nor do these increases tell the full story. We have developed in the past several years a broad new array of weapons which include:

The SR-71: a highly sophisticated reconnaissance aircraft that can fly three times the speed of sound.

The Poseidon intercontinental missile which has five to ten times the destructive power of the Polaris missile it replaces.

The MBT-70, a new main battle tank, providing increased firepower, protection and mobility.

The CH-54 flying crane: our first heavy-lift helicopter, which has paid for itself many times over in recovering battle-damaged helicopters, as well as performing an expanded range of supply and logistic functions in support of our troops.

The family of F-111 aircraft: the most sophisticated and effective attack aircraft in the world today—and recognized as such by foreign governments who are buying it in preference to aircraft produced in their own countries.

The multi-warhead ballistic missile reentry system which multiplies the effectiveness of our missile force.

The Walleye guided bomb, which uses a television guidance system, enabling aircraft and conventional explosives to hit targets in Southeast Asia today with extreme accuracy and effectiveness.

The Lance tactical surface-to-surface missile, equipped with both nuclear and nonnuclear warheads, which has greater range, accuracy and reliability than the missiles it will replace.

The Spartan and Sprint anti-ballistic missiles which will provide defense against a possible Chinese attack in the 1970s.

The Phoenix air-to-air missile system, providing us with the capability of destroying formations of enemy aircraft in the air at substantially greater distances.

The Sram air-to-surface missile, increasing the effectiveness of our strategic bombers, and enabling us to penetrate advanced enemy defenses.

The Cobra attack helicopter, providing faster, more flexible support of our ground troops.

The A-7 attack aircraft, giving our Navy and the Air Force an improved capability to support our ground forces, with its greater bomb capacity and longer range.

And scores of other weapon systems and sub-systems—many of them, of course, still highly classified.

Now, obviously, the real test of combat readiness is not simply to have an adequate arsenal of advanced weaponry—which we have greatly added to over the past six years—but to be able to respond rapidly and effectively to an emergency.

Such an emergency faced us in the summer of 1965, when it became apparent that Hanoi was on the verge of cutting South Vietnam in half by overwhelming force.

If we in the United States were to prevent that defeat, we had to respond rapidly and effectively.

That is what we did—and our accomplishments in the face of that emergency are the most realistic measure of our combat readiness.

In the first crucial months of the crisis we moved over 100,000 men to Southeast Asia

in 120 days. We supplied them with hundreds of thousands of different items, at the end of a 10,000 mile pipeline—which at the time had only one deepwater port, and neither roads nor rail line to move the supplies inland.

In those first critical months we saved South Vietnam from complete and final defeat.

Today we are supporting some 600,000 men Southeast Asia—at a standard of proficiency never before equalled in the history of warfare—and we are doing so without wage controls, without price controls, without profit controls—and indeed without the serious dislocation of the economy that has been the inevitable accompaniment of every other war we have fought in this century.

What is more, we are accomplishing this without calling up our reserve forces; without any significant movement of our men and equipment out of Western Europe; without any important change in our forces in South Korea; and without jeopardizing our ability to meet additional emergencies that might occur elsewhere in the world.

Now, how has all this been possible?

It has been possible because we have met our first and overriding responsibility in the Defense Department: we were, we are, and we will continue to remain in a high state of combat readiness.

Combat readiness is our primary responsibility.

But I want to stress that responsibility is not inconsistent with other goals.

We have been concerned, for example, with obtaining and operating the required level of military power at the lowest possible cost. That goal is clearly sensible in a Department that is spending over $70 billion per year.

Efficient, economical management does not detract from combat readiness. On the contrary, it strengthens it.

Our defense expenditures today—even including the full cost of our commitments in Southeast Asia—constitute a smaller percentage of the Gross National Product than they did in any fiscal year from 1952 through 1959.

That is due in part to the five-year Cost Reduction Program, which we initiated in 1962. Over the five years we saved the taxpayers in excess of 14 billions of dollars. Now that the initial phase has been completed, we have established the Cost Reduction Program as a permanent annual procedure—with stated goals and carefully audited results.

As part of reducing costs, we have to date initiated actions to consolidate, reduce, or close over 950 Defense installations or activities—all over the world—involving property that has become surplus to foreseeable peacetime or wartime needs.

The base closure program understandably created, in the beginning, a great deal of local apprehension and political pressure. And yet we have not reversed a single base closure decision due to pressure; nor has it been necessary to reopen a single installation to take care of the 25% expansion of our forces which has occurred in the past two years. The recurring annual savings of the base closure program alone, when completed—including the elimination of 200,000 jobs—will total $1.5 billion.

Furthermore, the usual pattern of these base closures is that the local communities—ultimately—benefit from the action. Our Office of Economic Adjustment works closely with the community leaders from the day a base closure is announced, and helps explore fully the growth potential of the area.

Now, just as efficient management and cost reduction are not the Defense Department's primary goals—but are nevertheless entirely consistent with our central responsibility of combat readiness—so it is becoming clear there are other measures that we can take that benefit the economy, and the social profile of the nation, which are equally consistent with our primary objective.

As I said at the outset, we are currently conducting three programs which are directed toward alleviating certain social inequities in the nation.

First, the Open Housing Program:

Racial discrimination—granting the great legislative advances that have been achieved in the past six years—remains a festering infection in our national life.

The Defense Department, beginning with the courageous executive order of President Truman in 1948 integrating the armed services, has been a powerful fulcrum in removing the roadblocks to racial justice—not merely in the military, but in the country at large.

But clearly the nation's road to equality is still strewn with boulders of bias.

Shortly after I became Secretary of Defense, I asked Mr. Gerhard A. Gesell, a leading member of the bar, to organize a committee to review the progress of equal opportunity in the Armed Forces.

That committee took a hard, realistic look at the problem. It reported that substantial improvement had been made on military bases. But it found that there remained severe off-base discrimination affecting thousands of Negro servicemen and their families. This discrimination was most destructive in the field of housing.

Open housing is a serious issue throughout our society. It is not confined to the Armed Forces. Too many of our citizens cannot live in the homes of their choice, on the streets of their choice, in the neighborhoods of their choice.

But this intolerable racial discrimination affects military personnel even more severely than it does the population at large. The serviceman and his family, on limited compensation and under military orders, must move every few years. While defending their nation, they are singularly defenseless against this bigotry.

My response to the Gesell Committee findings was to issue a directive incorporating its recommendations. Commanders everywhere were asked to organize voluntary programs to eliminate housing discrimination in the communities surrounding their bases.

In the Pentagon we turned our minds to other problems.

Early this year we reviewed the results of that four-year-old directive. We sent teams to a dozen bases to look into every aspect of equal opportunity. A special task force was set up for the greater Washington area. Seventeen thousand service families were surveyed. Their answers were analyzed.

One fact became painfully clear. Our voluntary program had failed, and failed miserably.

This failure we found intolerable. I put the matter to you bluntly: our nation should not, and will not, ask a Negro sergeant, for example, to risk his life, day after dangerous day, in the heat and hardship of a jungle war, and then bring him home and compel him to remain separated from his wife and his children because of the hate and prejudice that parades under the pomposity of racial superiority.

And yet, that is precisely what has been happening in this country.

The color of the blood that our men shed in the defense of Asia is all the same shade.

But when these men return home, it is not the color of their blood that matters: it is the color of their skin.

There are thousands of our Negro troops, returning from Vietnam, who are being discriminated against in off-base housing. When there is adequate housing on the base, Negro men in uniform are treated as all Americans should be treated. When there is not, and the Negro must depend on the civilian community for housing, he all too often is denied this equality of treatment.

Because of his color he suffers a penalty; his family suffers a penalty; and our national security suffers a penalty because of the impaired morale of our fighting forces.

We are talking here about a group of men who have distinguished themselves in the service of their nation. It is a fact that Negroes often volunteer for the most difficult and hazardous assignments. It is a fact that 20 percent of Army deaths in Vietnam last year were Negroes.

Earlier this year, in a visit to his home State of South Carolina, General Westmoreland paid tribute to the superb performance of these men.

"I say to the people of my native State and my country," the General noted, "that the performance of the Negro serviceman has been particularly inspirational to me. He has served with distinction equal to that of his white comrade in arms. The Negro serviceman, like all servicemen, has been a credit to our country. He has been courageous on the battlefield, proficient in a cross section of technical skills. Like his white colleague, he understands what the war is all about, he is loyal to his country and supports its policies, and is carrying out his responsibilities with a sense of responsibility."

The Negro serviceman has been loyal and responsible to his country. But the people of his country have failed in their loyalty and responsibility to him. The country which sent him to hazardous duty abroad refuses to permit him to live in the midst of the white civilian community when he returns.

Our original voluntary program to correct off-base housing discrimination floundered and fell apart. It lacked sufficient leadership from the top—starting with me, and going right on down through the senior echelon of the Defense establishment. And it lacked appropriately stiff sanctions for the violation of our anti-discrimination policy.

We have forged, therefore, a whole new set of tools to deal with this failure.

We have mapped out a two-pronged campaign. The first phase was to compile a nation-wide census of open off-base rental housing for military personnel. That we have completed.

The second phase is to mobilize—throughout the entire country—effective community support for non-discriminatory military off-base housing. That is now well under way.

We selected the greater Washington metropolitan area, including Maryland and Virginia, as our first objective. We wanted to make the area surrounding the nation's capital a model program—as it should be—and we wanted to learn quickly all the lessons we could that would assist us in the country at large.

Officials from the highest levels of the Defense Department—the Deputy Secretary of Defense, the Service Secretaries, and senior commanders—met with realtors and landlords of the area and put the matter to them squarely.

The extent of off-base housing discrimination was appalling. The morale of our Negro servicemen and their families was being severely eroded. We told the landlords the Defense Department could no longer tolerate the situation.

We appealed to the landlords for voluntary compliance with our non-discriminatory housing policy.

But we pointed out that the situation as it stood was so unjust that, whether we secured their voluntary compliance or not, we simply could not permit the conditions to continue. If, then, the landlords felt they would not or could not comply, we were going to have to prohibit any of our men—regardless of their race—from signing rental agreements in housing units where such discrimination was practiced.

Many proprietors complied voluntarily. Too many did not.

Let me say that in many instances their

position—while shortsighted—was understandable. Some faced genuine economic pressures.

In any event, they did not comply. And so we were compelled to take the only action open to us. We prohibited all military personnel, both white and Negro, from signing new leases or rental agreements in their facilities.

This had the effect of applying a countervailing economic pressure, and our open housing program took on an altogether new and positive direction.

In Northern Virginia and Maryland, within 120 days, we more than trebled the number of non-discriminatory units—from about 15,000 to 53,000 units.

Now we are at work elsewhere throughout the nation. We have, for example, an intensified program going on in California at the moment. We are giving particular emphasis to this State, not merely because of the large number of Defense installations and military personnel there; but because of the 14 states with open housing regulations and laws, California has the lowest percentage of apartment facilities open to all races.

Indeed, we have plans to extend the program in a dozen additional states in the near future.

Everywhere our approach will be the same. We will survey the local situation of each military base. We will meet with the realtors and landlords and explain the problem fully. We will request their cooperation and seek their voluntary compliance. We will do everything possible to see that our military families act as good tenants: that they pay their obligations promptly, and that they respect the property of private owners. We will enlist the help of local and State officials. And only when, and if, all other actions fail, will we apply the appropriate sanctions.

I want to emphasize that I am fully aware that the Defense Department is not a philanthropic foundation or a social-welfare institution. But I want to emphasize just as strongly that I do not propose to let our Negro servicemen and their families continue to suffer the injustices and indignities they have in the past.

It is said that there are no atheists in foxholes. I can assure you that in South Vietnam there is no segregation in foxholes.

There is no segregation of our servicemen in on-base housing.

And the Defense Department cannot tolerate segregation of our servicemen in off-base housing.

Where we must use stiff sanctions, we will.

What we prefer, hope for, and expect is an overwhelming measure of voluntary compliance.

Now let me discuss with you for a moment our second program in the social field. It is called Project 100,000, and I first announced it in a speech in New York in August of last year.

I pointed out, at the time, that though there were roughly 1.8 million young men reaching military service age each year in the United States, some 600,000—a full third—were failing to qualify under our draft standards. Some had medical problems, but I was particularly concerned about those thousands who failed because of educational deficiencies.

In some areas, the failure rate for draftees ran as high as 60 percent; and for Negroes in some states it exceeded 80 percent.

What this clearly meant was that the burden of military service was not being shouldered equally. Inequities were serious: inequities by region; inequities by race; and inequities by educational level.

What was even worse was the obvious implication. If so massive a number of our young men were educationally unqualified for even the least complicated tasks of military service, how could they reasonably be expected to lead productive and rewarding lives in an increasingly technological and highly skilled society?

Our studies confirmed that a great number of these draft rejectees were the hapless and hopeless victims of poverty: a poverty that is not the mere absence of American middle-class affluence, but something infinitely more complex: a corrosive and decaying mix of social, educational, and environmental deprivation.

What these men badly need is a sense of personal achievement—a sense of succeeding at some task—a sense of their own intrinsic potential.

They have potential, but the slow and silent poison of the poverty virus has paralyzed it in many of them. They have grown up in an atmosphere of drift and discouragement. It is not simply the sometimes squalid ghettos of their external environment that has debilitated them—but an internal and more destructive ghetto of personal disillusionment and despair: a ghetto of the human spirit.

Poverty in America pockmarks its victims inwardly.

If unchecked and unreversed, that inner ghetto of the poverty-scarred personality of these men can fester into explosive frustrations of bitterness and violence.

Chronic failures in school throughout their childhood, they are destined to a downward spiral of defeat and decay in a skill-oriented nation that requires from its manpower pool an increasing index of competence, discipline, and self-confidence.

Poverty destines thousands of young men today to a dismal future. Destines them, yes. But dooms them, no.

These young men—and they are typified by those who in the past have failed to qualify for military service due to educational deficiencies—can be saved from that futile future. They can be rehabilitated, both inwardly and out. They are men, we concluded, who given the benefits of the Defense Department's experience in educational innovation and on-the-job training, and placed in an atmosphere of high motivation and morale, could be transformed into competent military personnel. Beyond that, after their tour of duty, they could return to civilian life—equipped with new skills and attitudes—and thus break out of the self-perpetrating poverty cycle.

The Defense Department is the world's largest producer of skilled men. We provide enlisted men with highly professional training in 1,500 different skills, in more than 2,000 separate courses. And each year we return about three-quarters of a million men to the nation's manpower pool.

The goal of Project 100,000 was, therefore, to take in 40,000 rejectees the first year, and 100,000 each year thereafter. The program completed its first year on September 30.

I want to report to you on its progress.

Our goal was to take 40,000 men; we took 49,000.

They entered all of the services: Army, Navy, Air Force, and the Marine Corps.

Now, what sort of backgrounds do these men come from? About 60 percent are whites; about 40 percent Negroes. Their average age is 21. Thirty percent of them are unemployed at the time they come to us, and an additional 26 percent are earning less than $60 a week.

What this means is that more than half of these men are gripped in poverty. Nor is that surprising. Their average reading score is a bare sixth-grade level; and 14 percent of them read at a third-grade level or less. Many are poorly motivated when they reach us. They lack initiative. They lack pride. They lack ambition.

If nothing were done to give them a strong sense of their own worth and potential, they, their wives and their children would almost inevitably be the unproductive recipients of some form of the dole 10 years from now.

I want to repeat: we have taken these men into the service because we are convinced that, given the proper environment and training, they can contribute just as much to the defense of their country as men from the more advantaged segments of our society.

Has that belief been borne out by the facts?

We now have had a full year's experience with this program, and let me tell you the results.

Ninety-eight percent of our traditional categories of recruits successfully graduated from basic training during the year. And the successful graduation rate of these 49,000 new category men was 96 percent—only two percentage points less than our traditional recruits.

I have insisted that these men should be singled-out or stigmatized as a special group. Technically—and for our own internal record-keeping—men who would have formerly been draft rejectees are termed New Standards men. But the men themselves are never informed that they are in this category.

It is absolutely imperative that they believe in themselves and their own potential. They obviously cannot do that if we treat them with anything remotely suggesting condescendence.

The plain fact is that our Project 100,000 is succeeding beyond even our most hopeful expectations. Many of our commanders report that these men are turning out to be even more highly motivated than some servicemen with a much more privileged background.

Now these are the initial results, and we are immensely encouraged. But obviously the real test is going to come later, when these men move back into civilian society. How will they fare then?

Will the vital sense of achievement and self-confidence they have experienced in their military service, as well as the skills they have learned, move them forward in society—or will they return to the depressing downwardspiraling, poverty-in-the-midst-of-plenty phenomenon that plagues our urban ghettos and our rural pockets of economic stagnation?

We cannot say for certain. But we intend to find out.

We are launching a careful follow-up study to test conclusively the ultimate outcome of Project 100,000. At least a decade of careful measurement of the performance of the men both in and out of the service will be required. We won't know until the end of that period what the definitive study will prove. But I am willing to make a prediction. I am convinced that the Project 100,000 men will continue to do a fully creditable job in the service; and that on return to civilian life, their earning capacity—and their overall achievement in society—will be two or three times what it would have been had there been no such program, and had they remained rejectees.

Hundreds of thousands of men can be salvaged from the blight of poverty, and the Defense Department—with no detriment whatever to its primary role—is particularly well equipped to salvage them.

We not only can do it. We are doing it. And the benefit to our society—and to the ultimate roots of our security—will be immense.

Now, let me describe to you briefly our third program in this field. We call it Project Transition.

As I mentioned, we return some 750,000 men from the services annually to civilian life. Some of these men can move readily into civilian jobs without difficulty, but a significant number of them are faced with genuine problems.

We surveyed the situation, and found that

some 50 percent of the men about to leave the services need and want some degree of help to make the transition to a productive civilian life.

To provide that help, we have created a voluntary program—Project Transition—for men with 30 to 180 days of service time remaining. The project gives priority to certain groups: to those disabled in battle; to those with no previous civilian occupation; to combat arms servicemen with no civilian-related skill; to those who have such a skill, but who require additional training or upgrading; and finally to those who desire a completely new civilian skill, regardless of their current training status.

The program meets four basic needs of the man leaving the service: counseling, skill enhancement, education, and job placement.

We now have pilot programs—for each of the services—at five bases. I can report to you today that within sixty days Project Transition will be in operation at all eighty of the major installations in this country.

We have enlisted the cooperation of other federal agencies—the labor Department, HEW, the Postal Service—as well as a number of State and local agencies that can assist with training, and offer employment to these men. A number of police departments around the nation, for example, are participating, not only with professional advice and technical assistance but with solid job offers as well.

Though the program is still in its pilot stage, it clearly has tremendous potential, and industrial leaders throughout the nation have already expressed enthusiasm for the idea. Further, the Ford Foundation has offered to work closely with us in solving the problems connected with placing the right veteran in the right job.

We are going to be able to give the returning Negro veteran—particularly the Negro veteran who without help might be compelled to drift back into the stagnation of the urban ghetto—an opportunity for valuable training and satisfying employment.

Every veteran—regardless of color, creed, or class—who has served his country in the Armed Forces deserves the opportunity to move back usefully and productively into civilian life. Project Transition will help give him the opportunity.

I think the point we must realize is this. There is no question but that the economic, social, and educational legislation of the current period eventually will transform American society immensely for the better.

But the very magnitude of the task will require a decade or two for the full effects to be felt.

This means that the present generation of the under-privileged youth of all races, caught in the self-perpetuating trap of poverty, are in danger of being left out of these eventual benefits.

The President has made clear that the United States cannot be satisfied with that situation. We must find ways to assist people now—even before our present legislation can reach its full potential for economic and social improvement.

This is manifestly a national responsibility—not primarily a Department of Defense responsibility.

Our primary responsibility—to repeat—is the security of this nation. But in the ultimate analysis, the foundation of that security is a stable social structure. I suggest to you that the Defense Department can find ways to contribute to the development of such a structure without compromising the combat readiness of its forces.

The three social programs I have described to you today are the kinds of programs that will bolster the security of this nation. They are the kinds of programs that will reduce the criticism, some of it justified, that we are often bludgeoned with internationally: criticism that grows out of the discrepancy between our traditional preaching of the principles of liberty and equality—and our obvious lapses in the practice of those two bedrock constitutional guarantees. They are partial answers to the basic question: can our present American society afford to meet simultaneously its responsibilities both at home and abroad?

Can we continue to meet our commitments to contain aggression internationally, and at the same time take the measures necessary to cure our urban and racial ills here at home?

I say definitively that we can.

This nation is immensely powerful—both in material and human resources.

Our current Defense expenditures—as heavy as they are—are only 9 percent of the GNP. That is a lesser percentage of the GNP than defense spending in most of the years of the 1950s. The taxes we pay today are billions of dollars less than the taxes we would be paying under the tax rates of the 1950s. The modest surcharge that the President is recommending—and which makes eminent sense in our highly charged economy—will represent a recision of less than half of the tax cuts this Administration has achieved.

And yet, we appear to believe that we cannot afford to achieve all that genuinely needs achieving.

We appear to believe that we are stretching our resources too thinly.

We appear to believe that we cannot simultaneously wage war against aggression abroad, and a war against poverty, urban decay, and social injustice here at home.

That we cannot afford it is a myth.

That we may choose not to attempt it, is another matter entirely.

But if we make that choice, let us make it deliberately and rationally.

Let us not make that choice because of a mere mythology—the mythology that America is not strong enough to do all that needs doing.

We are strong enough materially and technologically. We do have the resources in both money and manpower.

What we may lack is the will power.

If we do lack it, so be it. But let that be our conscious choice. Let us face the issues honestly, and admit to ourselves that we simply do not want to make the effort.

Let us not blame the lack of effort on the myth that we cannot do all that needs doing.

For the fact is, we can.

We can curb aggression abroad. And we can meet our pressing social problems here at home. And we can do both at the same time if we will use wisely existing institutions and available resources.

The simple question is this: do we have the requisite faith in ourselves?

Do we have the requisite confidence in our constitutional objectives?

Do we have the requisite resolve to complete the achievements that the United States was founded less than 200 years ago to secure?

I, for one, say we do. Ladies and Gentlemen, what say you?

Thank you, and good morning.

GOVERNORS' CONFERENCE REAFFIRMS STATES' JURISDICTION OVER FISH AND WILDLIFE MANAGEMENT

Mr. BENNETT. Mr. President, I was very much pleased today to receive a copy of the resolutions passed by the National Governors' Conference at the 59th annual meeting aboard the SS *Independence* last month and to discover that the Governors have asked the Congress to reaffirm States' jurisdiction over fish and wildlife management.

Last month, before the Senate Committee on Interior and Insular Affairs during hearings on the Flaming Gorge National Recreation Area bill, I proposed an amendment which would reaffirm the same jurisdiction for the States of Utah and Wyoming.

My amendment would merely help to protect Utah's hunters and fishermen from Federal encroachment in an area where the Federal Government has no logical or legal business—the management of fish and game.

The Governors at their meeting said that they felt that the States have the basic right to conserve, manage, and regulate the use and harvest of resident species of fish and game on all lands.

The present language in the Flaming Gorge proposal would cast a shadow on State jurisdiction, and most fish and game officials feel that it would give the Federal Government virtually complete control over all fish and game matters which are currently under State control.

The Governors' resolution supports the basic tenets of my Flaming Gorge proposal, which are also encompassed in a bill (H.R. 8377) currently before the House of Representatives.

I ask unanimous consent that the text of the resolution passed by the Governors be printed in the RECORD.

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

REAFFIRMING STATES' JURISDICTION OVER FISH AND WILDLIFE MANAGEMENT

Whereas, since colonial times in this country, the ownership of wildlife, by law, history and tradition, has been separated from the ownership of the land, in contrast to the European system in which landowner owns the game thereon; and

Whereas, it has been held by the U.S. Supreme Court that all species of wildlife are held in trust by the individual States for the people of each State, the principal exception to this rule arising under the treaty-making power of the United States which makes the migratory bird treaties and federal legislation dealing with migratory birds pursuant to and limited by said treaties the supreme law of the land; and

Whereas, contrary to Supreme Court decisions and dictates of sound unified fish and game management policies, the Solicitor of the Department of the Interior has held, and the Secretary of the Interior, Stewart L. Udall, has concurred therewith, that the federal government has full and exclusive power and control over both migratory and resident wildlife on all federally-owned land:

Now, therefore, be it resolved that the National Governors' Conference reaffirms the basic right of the States to conserve, manage and regulate the use and harvest of resident species of fish and game on all lands, including those lands owned by the federal government, within each individual State on which said jurisdiction has not been relinquished to the federal government; and

Be it further resolved that, to prevent further encroachment upon the States' responsibilities in the management of wildlife and fish resources, the following basic policies be adopted: the federal government, through existing international treaties and agreements, bears direct responsibility and jurisdiction over specified migratory birds, certain endangered species, basic research, certain oceanic resources, and fauna of certain territorial lands beyond the continental United States, and fish and resident species of wildlife are and should remain state resources under the direct jurisdiction and responsibility of the individual States; and

Be it further resolved that the National Governors' Conference supports the basic tenets of H.R. 8377, introduced in the First Session of the 90th Congress, which purports to declare and determine the policy by the Congress, with respect to the primary authority of the several States to control, regulate and manage fish and wildlife within their territorial limits.

THE PRESS AND THE BAY OF PIGS

Mr. McGOVERN. Mr. President, my attention has been called to a most provocative, carefully prepared article entitled "The Press and the Bay of Pigs," written by Victor Bernstein and Jesse Gordon, and published in the fall, 1967, issue of the Columbia Forum.

The article relates in detail the manner in which the American press handled or mishandled events leading up to the ill-fated attempt to invade Cuba in April 1961.

In the hope that Members of Congress, the press, Federal policymakers, and others will read this important article, I ask unnanimous consent that it be printed in the RECORD.

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

THE PRESS AND THE BAY OF PIGS

(By Victor Bernstein and Jesse Gordon)

Aside from its other meanings, the Bay of Pigs was "also important in the history of relations between the American press and the U.S. Government," Clifton Daniel, managing editor of *The New York Times*, told the World Press Institute last year. Mr. Daniel went on to reconstruct this history insofar as it involved his newspaper. This article attempts a reconstruction on a somewhat broader basis. Such a history has permanent relevance to the democratic process; and, in any case, it is always useful to remind the press that if it worried as much about its own credibility gap as about the Administration's the country would be well served.

Early in November, 1960, Carey McWilliams, editor of *The Nation*, received a phone call from Paul Baran, Stanford University economist. He said that Ronald Hilton, then director of Stanford's Institute of Hispanic American and Luso-Brazilian Studies, "is just back from Guatemala. In the current issue of his *Hispanic American Report*, he writes that it is common knowledge down there that the CIA is training Cuban exiles at a secret Guatemalan base in preparation for an invasion of Cuba." Mr. McWilliams checked back with Dr. Hilton, and the result was an editorial which appeared in *The Nation* of Saturday, November 19.

"Fidel Castro," the editorial began, "may have a sounder basis for his expressed fears of a U.S.-financed 'Guatemala-type' invasion than most of us realize." It went on to give the gist of Dr. Hilton's story, which located the base near the mountain town of Retalhuleu and said that the whole affair had been aired on the front page of *La Hora*, Guatemala's leading newspaper. The editorial ended:

"We ourselves, of course, pretend to no first-hand knowledge of the facts. . . . If Washington is ignorant of the existence of the base, or, knowing that it exists, is nevertheless innocent of any involvement in it, then surely the appropriate authorities will want to scotch all invidious rumors. . . . On the other hand, if the reports as heard by Dr. Hilton are true, then public pressure should be brought to bear upon the Administration to abandon this dangerous and harebrained project.

There is a second reason why we believe the reports merit publication; they can and should, be checked immediately by all U.S. news media with correspondents in Guatemala.

The issue containing the editorial went to press on Friday, November 11. On that day, 75 proofs, together with copies of a news release based upon the editorial, were distributed by Jesse Gordon to all major news media, including foreign news bureaus in New York. The more important local offices were serviced by messenger. Mr. Gordon followed the dispatch of the releases with telephone calls to various news desks.

The phone calls elicited some puzzling reactions. The Associated Press was called three times; each time a different desk man answered, professed interest in the story, but said he hadn't seen either the release or a proof of the editorial. Could duplicates be sent immediately? Three duplicates were sent in as many hours, apparently to end up on the desk of someone in the AP hierarchy who didn't want them to go any farther. In the end, neither the AP nor the United Press International used the story, nor did they request any check on it that weekend from their correspondents in Guatemala.

On Monday, Mr. Gordon was again in touch with the UPI, this time speaking to Francis L. McCarthy, head of the service's Latin American desk. "Yes," said Mr. McCarthy, "there's a big base in operation in Guatemala and U.S. planes are flying in and out. But the Pentagon denies any knowledge and the State Department says 'no comment.' One story we hear is that the base is being built by the U.S. as a replacement for Guantánamo."

At this stage, knowledge of the base follows an interesting geographic distribution pattern. The readers of the Guatemalan newspaper *La Hora* knew there was a base. Indeed, according to Andrew Tully in his *CIA: The Inside Story*, "Practically everybody in Central America knew about this [Retalhuleu] training base and, of course, so did Fidel Castro." In the United States, however, where by repute exists the freest and most efficient press in the world, apparently the only people who knew about the base were Dr. Hilton, Mr. McCarthy, and the assorted readership (totaling fewer than 100,000) of the *Hispanic American Report*, *The Nation* and the *York* (Pa.) *Gazette and Daily* which—alone among the country's dailies—had published *The Nation's* release in its issue of November 12.

What of *The New York Times*, the *ultima Thule* of the publicist? Mr. Gordon sent four copies of the editorial to the *Times*—one each to the city and national editors, another to Herbert L. Matthews (editorial writer) and another to Peter Kihss (a staff reporter who was then covering domestic aspects of the Cuban situation). Additionally, the city and national desks of the *Times*, as well as those of other major news media, received copies over the PR Newswire, a private Teletype circuit. Mr. Gordon followed dispatch of the proofs by phone calls to Mr. Kihss and others; all professed interest in the story, and Mr. Gordon was asked where Dr. Hilton could be reached.

It took nine days for the *Times* to react. On page 32 of its issue of November 20, it printed an unsigned dispatch from Guatemala City based on its correspondent's interview with President Miguel Ydígoras Fuentes. The President was asked about "repeated reports" of a "base established with U.S. assistance as a training ground for military action against Cuba." The article continued:

The President branded the reports as a "lot of lies." He said the base . . . was one of several on which Guatemalan Army personnel was being trained in guerrilla warfare. The object of the training, he said, was to combat invasions of the type that have occurred recently in Honduras, Nicaragua and Panama.

Five days later, on November 25, the *York Gazette and Daily* shed light on how the AP had been handling developments:

The *Gazette and Daily* asked the AP . . . to check [*The Nation's*] report. The AP said *The Nation* article seemed "thin"—an adjective which, we think, fairly describes any story as it begins to develop from hearsay or second-hand sources . . . But when we explained that we were not requesting a rewrite of *The Nation* article but rather a check in Guatemala, the AP went to work. Within a few days, the AP sent a story which was printed on page two of the *Gazette and Daily* on November 17, headlined: "Guatemala President Denies Reports of Anti-Castro Force." The headline reasonably sums up the story; the AP had interviewed President Ydígoras of Guatemala and he had "branded as false" the things *The Nation* had published.

Now for the windup. In a letter from Stanford dated November 19, Dr. Ronald Hilton writes as follows: "On Friday, November 18, Mr. [Lyman B.] Kirkpatrick [Jr.], the Inspector General of the CIA, spoke in San Francisco at the Commonwealth Club. . . . He was asked, 'Professor Hilton of Stanford says there is a CIA-financed base in Guatemala where plans are being made for an attack on Cuba. Professor Hilton says it will be a black day for Latin America and the U.S. if this takes place. Is this true?' After a long silence, Mr. Kirkpatrick replied: 'It will be a black day if we are found out.' "

In lying to both the *Times* man and the AP reporter, President Ydígoras displayed the virtue of consistency, at least. But there is another, more significant, observation to be made about these two dispatches. Neither reporter took the elementary journalistic step (or, if they took it, failed to report that they did so) of interviewing anyone on the staff of *La Hora*, which had published the story the previous October 30. At the very least, they should have seen—or reported an attempt to see—the newspaper's publisher Clemente Marroquin Rojas, who was then a member of the Ydígoras cabinet (and is today Vice President of Guatemala). Moreover, according to Dr. Hilton, the base and its purposes were "common knowledge" in the country; should not the reporters have been instructed, at the very minimum, to test this "common knowledge"? It is precisely for this purpose, as any journalist will tell you, that taxi drivers have been invented. But both correspondents chose to go to the one man in the country who would be sure to deny the story—the President.

There was, perhaps, some excuse for the AP correspondent, Albarao Contreras, who was a Guatemalan citizen and could hardly be expected to probe into government secrets for the meager space rates paid to him as a "stringer." But what of the *Times* man?

During April of the current year, while this article was being researched, Victor Bernstein wrote to Mr. Daniel at the *Times*, requesting identification of the author of the November 20, 1960, dispatch, and in general asking for clarification of what the *Times* had done after receiving *The Nation's* original press release. Mr. Daniel replied promptly in a letter dated April 27, 1967:

Emanuel Freedman, then our Foreign News Editor, wrote a memorandum on November 25, 1960, that referred to the denial interview with President Ydígoras published in *The Times* of November 20, and then provided this background: "We first investigated Dr. Hilton's allegations a few days earlier on the basis of a tear sheet sent to us in advance of *The Nation's* appearance on the newsstands. We talked with Dr. Hilton at Stanford University by telephone to determine whether he had anything more than the hearsay evidence attributed to him in *The Nation*. (He had not.) Then we asked the Washington Bureau, which drew a blank, and our stringer in Guatemala, who reported that there had been rumors about a U.S.-organized training

base, but that it had been impossible to get any confirmation. He denied that Ydígoras had gone on TV about the matter."

The Ydígoras interview was written by Paul Kennedy. He was in Nicaragua at the time that *The Nation* article reached us, and we asked him to go to Guatemala to look into the situation. . . . He met a blank wall in his inquiries and on the 19th sent the Ydígoras interview. Mr. Kennedy left Guatemala on the 21st.

Paul Kennedy was a *Times* expert on Latin America. If, for the nonce, his interview with Ydígoras satisfied the *Times'* editors, it did not satisfy the editors of the *St. Louis Post-Dispatch*, who a short time afterward sent one of their own men, Richard Dudman, into Guatemala. Mr. Dudman saw no purpose in collecting further denials, so he steered clear of the Presidential Palace and ran around asking questions. He confirmed the existence of a "secret, 1,200-foot airstrip" that had been cut out of the Guatemalan jungle, and of nearby barracks capable of housing 500 men. A Guatemalan civilian told him that many of the soldiers at the base spoke with a "Cuban accent"; he also conscientiously reported that an English-speaking Guatemalan soldier had dismissed all stories about the base as "Communist propaganda."

Even with these tentative conclusions, Mr. Dudman had censorship troubles and in the end filed his story not out of Guatemala, but out of neighboring El Salvador. This led the *Post-Dispatch* to print an editorial which should have galvanized the entire American press into action:

What is going on in Guatemala? Who is trying to conceal what, and for what purpose? Why should Richard Dudman . . . have to go to neighboring El Salvador to send a dispatch to this newspaper about what he found in Guatemala?

These were what any journalist would call "gutsy" questions, crying for answers. Yet the AP and the UPI, upon whom the overwhelming bulk of the American press is utterly dependent for foreign news, still made no attempt to search out the answers. But around the middle of December the *Los Angeles Mirror* sent its aviation editor, Don Dwiggins, to Guatemala. He reported that American funds were involved in the airstrip and base construction. The AP picked up and distributed a three-paragraph summary of Mr. Dwiggins' long article, but again failed to show any reportorial initiative of its own. In an article that appeared in *The Nation* dated January 7, 1961, Mr. Dwiggins presented strong evidence in support of Dr. Hilton's "hearsay" reports:

No one in an official position would explain why Guatemala, a country without a single jet plane of its own, needs a jet airstrip for military use. . . . A military base actually exists behind the green curtain of Retalhuleu. All access to the airfield is cut off. . . . As there is no airline traffic into Retalhuleu, there is no question as to airstrip's purpose. Guatemala's air force, it should be noted here, consists of corroding war-surplus Mustang fighters, AT–6 trainers and some war-weary, twin-engine bombers squatting like wounded birds at Guatemala City's La Aurora Airport.

And Mr. Dwiggins reported that, upon his return to Los Angeles, an anti-Castro pilot told him of a "fantastic air-raid operation scheduled for some time early in 1961." People "high up the government," the pilot said, were offering $25,000 to pilots to fly the mission.

It would seem that, by now, things were beginning to add up, even if somewhat slowly. There is definitely a new airstrip and base of some kind in Guatemala; even the *Times* says so. Mr. Dudman has reported the possible presence at the base of soldiers who speak Spanish with a Cuban accent. Mr. Dwiggins has recorded that U.S. money is involved in construction of the base and has pointed out that Guatemala, which has no jets, obviously has no use for an airstrip capable of handling them. Unmentioned, so far, is the unmentionable CIA. Still, it would indeed seem that Castro had reasonable grounds for suspecting that the U.S. was planning something unpleasant for him.

But to the *Times*, nothing adds up to anything, yet. On January 3, the U.S. broke relations with Castro. "What snapped U.S. patience," said the *Times* "Review of the Week" for Sunday, January 8, "was a new propaganda offensive from Havana charging that the U.S. was plotting an "imminent invasion" of Cuba, and a demand that the U.S. cut its Havana embassy to eleven." In nearly five columns of text on the Cuban situation, the only base mentioned by the *Times* is Guantánamo. Why, then, the writer asks plaintively, was Castro making all those invasion charges and fulminating so against the U.S.? The writer answers his own question: "The Castro Government has become increasingly shrill with its anti-American propaganda to busy minds that otherwise would be preoccupied with dissatisfactions at home."

But two days later *Times* readers were to get more solid fare. In the January 10 issue there appeared a second and lengthy dispatch from Paul Kennedy, this one sent directly from Retalhuleu. (In the weeks following November 20, 1960, Clifton Daniel explained in his letter of April 27, 1967, "rumors and tangible pieces of information built up—including stories published in the *Los Angeles Mirror* and the *St. Louis Post-Dispatch*—and as a result we asked Mr. Kennedy to go back to Guatemala and get out of the capital to try to find out just what was going on.") In a sense, it can be said that this second Kennedy piece broke the logjam on the story, and at a later date it was to be pin-pointed by President Kennedy as an example of "premature disclosures of security information."

Actually, the *Times* article of January 10 was written with the utmost circumspection. "This area [around Retalhuleu] is the focal point," the story began, "of Guatemala's military preparations for what Guatemalans consider will be an almost inevitable clash with Cuba." This was not only circumspect; it was misleading. The base had nothing to do with the military preparations of Guatemala; it had to do with the military preparations of the U.S. and a group of Cuban exiles. That Mr. Kennedy knew this, or at least strongly suspected it, was apparent in his text; but each time he offered a sinister interpretations of events, he balanced it with an innocent one. Thus, while Guatemalan authorities insist that the purpose of the base was to "meet an assault, expected almost any day, from Cuba," the "opponents of the Ydígoras Administration" insist that the preparations are for an offensive against Castro. (What is the relevance of labeling those who suspect aggression as "opponents" of Ydígoras? Are we to believe them less?) Mr Kennedy asserted flatly that at the base "commando-like forces are being drilled in guerrilla warfare tactics by foreign personnel, mostly from the United States," and that Americans are assisting with "matériel and ground and air facilities." But he carefully added, quoting an American official, that the United States is supplying only matériel needed for "defensive operations."

Nothing in the story identifies the nationality of the guerrillas under training; Cubans are mentioned only as being among the "experts from several nations" who are acting as trainers. The base, Mr. Kennedy observes (laughingly?), seems to be on the wrong side of Guatemala for efficient defense against a Cuban assault on the Caribbean coast; on the other hand, it is explained to him that its inland site gives it good capabilities for self-defense.

Mr. Dwiggins, it is now clear, came much closer to the truth than Mr. Kennedy. But a half-revelation in the *Times* carries more impact than full revelation elsewhere. With this dispatch, the country as a whole became aware that something peculiar was going on in Guatemala, to say the least. Those who had read Dr. Hilton's original "hearsay" reports found Mr. Kennedy somewhat less baffling; they had a key to the puzzle. But only readers of *Hispanic American Report*, *The Nation*, and the *York Gazette and Daily* were in the fortunate position. Still missing, however, was any echo of Dr. Hilton's suggestion of CIA involvement. It was now to come from an unexpected source—the State Department. A few hours after the Kennedy story appeared in the *Times*, the afternoon *New York Post* described State officials as turning aside all questions about Retalhuleu with the observation, "Don't ask us about it, ask the spooks—the Central Intelligence Agency."

Meanwhile, beginning on January 8, the *New York Daily News* began a series of articles that pushed back the frontiers of our knowledge a little farther. The activities in Guatemala were definitely in preparation for an invasion of Cuba, the paper said; it quoted Manuel A. de Varona, head of "the most powerful anti-Castro" group in the United States, as saying: "Our invading force will land in Cuba. . . . They will take over as occupation troops . . . A provisional government will be set up [which] will restore all properties to the rightful owners Mr. de Varona was vague only about where all the money was coming from. The *Daily News* was less vague, but quite inaccurate. "It is an open secret," said the newspaper, "that the *Frente* [various anti-Castro groups in the U.S. had been organized into a Front] is being financed by American and Cuban industrial interests" who hoped to get their properties back from Fidel Castro. It was, of course, not industrialists who were paying for all the shenanigans going on; it was the American taxpayer via the CIA.

On January 11, the *Miami Herald*, located in the city where most of the Cuban refugees were living and where the anti-Castro activities were greatest, printed the first of a long series of articles on what was going on. The first story said forthrightly: "Recruiters, some American, have for months been selecting anti-Castro men in Miami for secret flights to Retalhuleu." But two days later *Time* magazine blandly referred to what it called Castro's "continued tawdry little melodrama of invasion." And about the same time, in the Security Council of the U.N., U.S. Ambassador James J. Wadsworth termed the latest Cuban charge of planned invasion as "empty, groundless, false and fraudulent."

The story continued to expand. *Time* magazine finally decided that Castro was not altogether a victim of hallucinations, and on January 27 declared that the *Frente* was getting up to $500,000 a month from the U.S. and boldly stated that the entire operation was in charge of a CIA agent known as "Mr. B." Dr. Hilton had had to wait ten weeks for the last of his "hearsay" reports to be confirmed by a major publication.

It is understandable that President Kennedy, Secretary of State Rusk, CIA Director Dulles and others in Washington were viewing this publicity with something less than enthusiasm. True, during the campaign the previous fall, Kennedy had complained that America had done too little for Castro's "democratic opposition" and said that if elected he would do more. But he had never spelled out just what he would do. Had he been thinking of presenting *bon voyage* baskets to any anti-Castro invaders departing our shores? Four days before the invasion actually began, he told a press conference: "There will not be under any conditions an intervention in Cuba by the U.S. armed forces. . . . The basic issue in Cuba is not one between the United States and Cuba. It is between the Cubans themselves. And I intend to see that we adhere to this principle. . . ."

But the deep American involvement could

not be kept hidden—not after the Guatemala story had once broken. And it grew increasingly difficult to hide as recruiting agents scurried around New York and Miami, gathering sacrificial lambs for the planned invasion. By the second week in April the recruiting was so open that *El Diario*, a New York Spanish-language paper, and the *New York Mirror*, could print the addresses of local recruiting stations. Then there was the impossible problem of keeping the various leaders of the Cuban exile groups quiet. Right and Left factions filled the press with their mutual recriminations, or with complaints of discriminatory treatment at the hands of the Administration.

Still, there persisted in Washington the quaint notion that nothing was really happening unless it was reported in *The New York Times*. And, for many weeks following Paul Kennedy's somewhat equivocal report from Retalhuleu, the *Times* did nothing deeply distressing to Allen W. Dulles. Indeed, in some ways it seemed to be playing the Administration game. As late as April 5, just 12 days before the invasion began, James Reston wrote that "The Administration has reason to believe that there are now between 100 and 200 Cuban airmen in Czechoslovakia being trained to fly Soviet MIG fighters." Washington officialdom, aware that it could not stop speculation on the invasion, had evidently decided on an alternative: to leak stories tending to justify it.

Then, on April 7, the *Times* printed a long dispatch from Miami by Tad Szulc, their able and experienced Latin-American correspondent. While there were few elements in this account that had not already appeared elsewhere, Mr. Szulc not only linked the CIA to the coming invasion but hinted strongly that the climax was "imminent." The handling given the story by the *Times*, and the crisis of conscience it provoked among its editors, were described at length by Mr. Daniel in his address last year before the World Press Institute. Orvil Dryfoos, then publisher of the *Times*, was described by Mr. Daniel as particularly upset: "He was gravely troubled by the security implications of Szulc's story. He could envision failure for the invasion, and he could see *The New York Times* being blamed for a bloody fiasco."

So Mr. Dryfoos, according to the Daniel account, came down from his fourteenth floor office to the news room on the third floor to see Turner Catledge, then managing editor. The two conferred and decided to turn to Mr. Reston, in Washington, for advice. The author of *The Artillery of the Press* advised his superiors to spike the guns, more or less, and the upshot was that Mr. Szulc's account was edited to eliminate references to the CIA and to the "imminence" of the invasion. Instead of a four-column head, as had been originally planned, it was given a one-column head.

In justice to the *Times*, it must be noted that in addition to the consciences of Messrs. Dryfoos, Catledge, and Reston, there were other consciences at work that night. Lewis Jordan, news editor, and Theodore Bernstein, assistant managing editor, objected strenuously to this downgrading of the story as a violation of *Times* tradition; and Mr. Daniel, in his recounting of the episode, placed himself alongside the dissenters.

About a fortnight after the Bay of Pigs took its dismal place in history, a group of press executives met the President at the White House. Mr. Daniel told the World Press Institute what took place:

President Kennedy ran down a list of what he called premature disclosures of security information. His examples were drawn mainly from *The New York Times*. He mentioned, for example, Paul Kennedy's story. . . . Mr. Catledge pointed out that this information had been published in *La Hora* in Guatemala and in *The Nation* in this country before it was ever published in the *Times*.

"But it was not news until it appeared in the *Times*," the President replied.

While he scolded *The New York Times*, the President said in an aside to Mr. Catledge, "If you had printed more about the operation, you would have saved us from a colossal mistake." More than a year later, President Kennedy [told] Orvil Dryfoos, "I wish you had run everything on Cuba. . . . I am just sorry you didn't tell it at the time."

President Kennedy had changed his mind, but Mr. Reston never did. A year ago he told Mr. Daniel: "It is ridiculous to think that publishing the fact that the invasion was imminent would have avoided this disaster. I am quite sure the operation would have gone forward." Certainly he did nothing to prevent it. Four days before the invasion, he was publicly asking questions to which he already obviously knew most of the answers:

How much will the U.S. Government help the Cuban refugees? Will it provide them with all the money and arms necessary to launch an invasion, not from American ports and airfields, but from somewhere else? Will it train the refugees in the arts of sabotage and guerrilla warfare in Guatemala or elsewhere?

Yet, in a larger sense, Mr. Reston was probably right. The President, in his astonishing asides to Messrs. Catledge and Dryfoos, seems merely to have been trying to share his monopoly of wrong decisions. In all likelihood, it would have done no good for the *Times* to have "told all" on April 7. At best, the telling might have forced the Administration to delay the invasion a couple of weeks (at added expense to the American taxpayers, who were footing the training bills); at worst, it might have enabled Castro to have been even better prepared than he was, and the invasion might have been totally crushed in one day instead of three.

The evidence is strong that by these final weeks, the affair was beyond aborting; planning had reached the point of no return. The time for arousing public opposition to the idiocy which was launched on April 17 was back in October, 1960, when *La Hora* first broke the story of the Retalhuleu base. The persistency with which the American press ignored the story still seems incredible. Its intrinsic plausibility should at once have been recognized and acted upon; every informed journalist in the U.S. knew Guatemala as an old playground of the CIA. This is where the "spooks" from Washington had overturned the Arbenz regime in 1954.

About the press coverage of the invasion itself, the less said the better. The chief source of information was a Mr. Lem Jones who, according to Arthur M. Schlesinger Jr., in his *A Thousand Days*, "was putting out in the name of the [Cuban Revolutionary] Council press releases dictated over the phone by the CIA." The CIA, Mr. Schlesinger intimates wryly, had not even bothered to inform the Council that Mr. Jones had been hired to do the invasion publicity. Who was Mr. Jones? In Haynes Johnson's *The Bay of Pigs*, he is described this way: "The president of Lem Jones Associates, Inc., a Madison Avenue public relations firm . . . had done public relations work for such clients as a lay committee of the Armenian Apostolic Church and corporation stockholders waging proxy fights; but his present client, he told a reporter, was 'a very serious thing, too.' "

Mr. Jones was still in the proxy business, it appeared; this time he was proxying for the Cuban Revolutionary Council and the CIA. Largely on the basis of his news releases, headlines throughout the U.S. recounted mass uprisings by the Cuban people against Castro, Soviet MIGs blasting the invaders, rebel capture of the Isle of Pines, the surrender of Castro's brother. An eight-column banner in the *Miama News* screamed: Cuban Navy in Revolt. All this time the invading force of 1,400 men was being systematically destroyed by Castro's forces, and nowhere in the length and breadth of the island did a single Cuban raise a rifle in behalf of the "liberators." And four American pilots, members of the Alabama Air National Guard, assigned by the U.S. Air Force for special duty with the invasion, died in this affair which, in President Kennedy's words, was strictly one "between the Cubans themselves."

From beginning to end, the Bay of Pigs was as humiliating for the American press as it was for the country as a whole. In the aftermath, some editors recognized this. On May 10, *The New York Times* editorialized under the heading, "The Right Not To Be Lied To":

The Cuban tragedy has raised a domestic question that is likely to come up again and again until it is solved. The cause may be something that is happening in Laos [or Vietnam?], in Central Africa or in Latin America, but the question remains the same: is a democratic government in an open society such as ours ever justified in deceiving its own people? . . . A democracy—our democracy—cannot be lied to. . . . The basic principle involved is that of confidence.

Newsweek posed the question: "To what degree was the press really to blame for the magnitude of the American propaganda defeat? The best answer is that the newsmen, like many others, became pawns in the intensifying conflict between Washington and Havana."

The press had a right to be angry. It had been lied to, again and again, by President Kennedy, Allen W. Dulles, Dean Rusk, and everyone else in the hierarchy of blunderers responsible for the Bay of Pigs. But it also had the duty to be ashamed. No law required it to swallow uncritically everything that officialdom said. On the very day the American-planned, American-equipped expedition was landing at the Bay of Pigs, Secretary Rusk told a group of newsmen: "The American people are entitled to know whether we are intervening in Cuba or intend to do so in the future. The answer to that question is no." Where was the editorial explosion that should have greeted this egregious lie? And even when the press had opportunity to strike a blow for truth, it failed. On April 19, while the shooting was still going on, the *Times* received a dispatch from its correspondent at the U.S. naval base at Guantánamo Bay. The last paragraph of the story read:

The sensitive radar on Navy ships here have picked up no trace of high-speed Cuban or Communist aircraft. Officials, therefore, are confident that there have been no MIG fighters in this area of Cuba, at least. Nor has the Navy sighted any foreign submarines.

This last paragraph appeared only in the early edition of April 20. In the later editions, it was deleted. Mr. Daniel, asked about this, made this response in his letter of April 27: "I cannot at this date give the reason with certainty, but this sort of thing happens so routinely in makeovers for late editions that the odds are that it was simply a matter of space for makeup purposes." In other words, all the news that fits.

There is no reason to doubt Mr. Daniels' explanation, but an explanation is not a justification. Lem Jones' war bulletins out of Madison Avenue had been replete with references to MIGs and Soviet submarines, the work of CIA fiction writers seeking to raise war fever in the American people. Surely so strong a doubt that they ever existed, expressed by so unimpeachable a source as our own Navy men, deserved a better play than a tail-end paragraph. And if it had been anywhere else in the story, it would not have had to be dropped for space.

How does one explain the malaise that afflicted so much of the press during the period? There is no doubt that, in many places, a covert of voluntary censorship was at work. The *Times* treatment of Szulc was one example. The *Miami Herald* openly acknowledged voluntary censorship. The *Herald*

published its first story on the Miami-Retalhuleu airlift the day after Paul Kennedy's story from Guatemala appeared in *The New York Times*. A box alongside the *Heralds'* story explained:

Publication of the accompanying story on the Miami-Guatemala airlift was withheld for more than two months by the *Herald*. Its release was decided upon only after U.S. aid to anti-Castro fighters in Guatemala was first revealed elsewhere.

This was on January 11, the *Herald* had apparently known all about Retalhuleu since November 10—just about the time Dr. Hilton was reporting the story to *The Nation*. President Kennedy should have chastized the *Herald*, not *The Times;* had the *Herald* printed the story at the outset, there might really never have been a Bay of Pigs.

This demented patriotism, the urge to play along with government at whatever cost to truth, struck elsewhere. Mr. Schlesinger (in *A Thousand Days*) reports that in March 1961 the *New Republic* set aside a detailed exposé of invasion preparations in Miami at the request of the White House. (Of the magazine's acceptance of the suggestion that the piece be dropped, Mr. Schlesinger comments that it was "a patriotic act which left me slightly uncomfortable.") And in the February 2, 1963, issue of *Editor & Publisher*, Alan J. Gould, on the occasion of his retirement as general manager of the AP, is quoted as saying:

"I think the people in Government should have learned a lesson for all time on the handling of the Cuban affair. Occasionally we have withheld stories for a time in the national interest. When the President of the United States calls you in and says this is a matter of vital security, you accept the injunction."

If the editors of the *Miami Herald* knew the significance of Retalhuleu, it is safe to say that the AP editors knew, too. Yet the AP never budged any part of its massive reportorial staff to get at the truth in behalf of its thousands of clients. Neither the AP, nor the UPI, nor the San Francisco papers ever seemed to have tried to follow through on the startling remark of that CIA official to a San Francisco Commonwealth Club gathering: "It will be a black day if we are ever found out."

The press is not normally so cooperative with government, even on matters touching on national security. In this instance, there was no security to be breached. Castro knew about Retalhuleu as soon as *La Hora* did, and quite likely sooner; and he was in the fortunate position of not having to verify his information with such as President Ydigoras. The early apathy of the press makes sense only when viewed as motivated not so much by patriotic reticence as by eager jingoistic collaboration. The fact is that most powerful American publishers wanted that damn Castro out of there as much as Allen W. Dulles did. So they kept silent until the few independent souls among them precipitated the news competition that is the normal lifeblood of the industry. But the damage had already been done: *public opinion had been eliminated as a factor in a major foreign policy decision.*

Even today most journalists, with some honorable exceptions, criticize the Bay of Pigs not as the wrong thing to have done, but as the wrong way to have done it. One is reminded of most current criticism of the Vietnam war; the cure suggested is always something other than the simple getting out. It is difficult to accept that there is no right way of doing the wrong thing.

Where, then, does the duty of the press lie? Must it always tell all that it knows? Or are there occasions when government, as representative of the people, has the moral right to call upon its discretion? President Kennedy was not alone in his feeling that the press should suppress news in the interest of the government (which is assumed to be identified with the national interest). But back in 1851 that old Thunderer, *The Times of London*, had something to say on this subject:

"The purposes and duties of the [Ministers of the Crown and of the Press] are constantly separate, generally independent, sometimes diametrically opposite. . . . The Press can enter into no close or binding alliances with the statesmen of the day, nor can it surrender its permanent interests to the convenience of the ephemeral power of any Government. The first duty of the Press is to obtain the earliest and most correct intelligence of the events of the time, and instantly, by disclosing them, to make them the common property of the nation. The statesman collects his information secretly and by secret means; he keeps back even the current intelligence of the day with ludicrous precautions. . . . The Press lives by disclosures."

This is a generally admirable statement of a condition that should exist, perhaps, but doesn't. The fact is that most of the press decides for or against cooperation with government not on any basis of principle, but on the basis of the issue. Do we, the editor asks himself, approve or disapprove of what the government is asking us to help it do? So William F. Buckley Jr., alerted to secret peace negotiations between Washington and Hanoi, and fearing an outcome favorable to the Communists, might rush to wreck the talks by publicizing them. Walter Lippmann, in all likelihood, might keep his mouth shut. Who has best served journalism and the public weal? On the other hand, who best served journalism and the public weal in the months before the Bay of Pigs—those who talked, or those who kept silent?

OKINAWA

Mr. INOUYE. Mr. President, in view of the forthcoming talks between President Johnson and Prime Minister Eisaku Sato of Japan, I believe that a recent article by Mr. George Chaplin, editor of the Honolulu Advertiser, may be of interest.

I ask unanimous consent that it be printed in the RECORD.

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

[From the Honolulu Advertiser, Nov. 3, 1967]

OKINAWA: NO ANSWER YET

(NOTE.—*The writer flew to Japan last week on a Pan American World Airways inaugural flight marking three-time-a-week service between Los Angeles, Honolulu and Osaka. Before returning to Honolulu he sought some insight into current U.S.-Japan relations*).

(By George Chaplin)

TOKYO.—No firm timetable for the U.S. return of Okinawa to Japan will emerge from the mid-month talks in Washington between President Johnson and Prime Minister Eisaku Sato.

That, at least, is the prediction in authoritative American circles in Tokyo, where U.S. Ambassador U. Alexis Johnson and Japan's Foreign Minister Takeo Miki have held at least two preliminary sessions.

It is anticipated the U.S. will reaffirm its intention for Okinawa to revert to Japan in the future; that negotiations will continue toward an acceptable formula; and that Japan and Okinawa will increasingly integrate economic and other policies.

The governing Liberal-Democratic Party would like to get the Okinawa issue out of the way by 1970. That would prevent the other political parties from peaking their opposition at a time when the U.S.-Japan Security Treaty will be under discussion.

(Okinawa is occupied under the peace treaty following World War II, but it is used by Japan's minority parties as a club against the security treaty, which will reopen in 1970 only if either the U.S. or Japan formally requests it.)

The Okinawa issue is not really one of U.S. bases there, although the Socialists and Communists take that position, but whether the civil administration will revert to Japan and U.S. bases in Okinawa will come under the security treaty—like our bases in Japan proper.

As a practical matter, we are using our Japan bases freely for supplying and supporting U.S. troops in Vietnam. The 7th Fleet's home port is in Japan, where we have the finest navy yard west of Hawaii, backed up by a vast industrial complex.

U.S. airfields in Japan are among the busiest in the world. A large proportion of the damaged U.S. aircraft are repaired or rebuilt in Japan, which is convenient for us and profitable for the Japanese.

Actually, some of our supply LSTs have Japanese crews. But this is not politically popular in a country which still debates whether the U.S. nuclear aircraft carrier Enterprise should even be permitted to call briefly at a port.

In Japan, nuclear weapons could not be stored without government permission. On Okinawa, there is no such restriction and it can be assumed that we have nuclear installations there. As one American put it to me bluntly: "We can do as we please on Okinawa now."

For example, we could mount combat operations for Vietnam out of Okinawa but aren't, according to one source who said we're mostly using the island for refueling and repairs.

The Japanese view of the U.S. military presence in Asia has been somewhat softened by the entry of Communist China into the nuclear club, a fact which has distressed and dismayed the Japanese.

An American who speaks Japanese fluently and is highly knowledgeable about conditions said, "A year ago the Japanese were saying, 'We understand China better than you do.' Since the Cultural Revolution, we no longer get that."

He cited a recent newspaper poll in Tokyo which asked which three countries the people liked best and which three they liked least.

Until this past January, the three least liked, in order, were: the Soviet Union, China and Korea. After the Cultural Revolution gained full force, China succeeded the Soviet Union as the least liked, although the ratings were close.

The three best liked have consistently been Sweden, Switzerland and the U.S.—the first two understandably since their combination of neutrality and a high living standard represents the Japanese dream.

U.S. standing, I was told, dropped sharply two years ago when the bombing of North Vietnam began, but is now back to where it was previously.

On the U.S.-Japan Security Treaty, this source said its continuance is not under serious question, and that even the opposition parties are increasingly accepting this privately.

"They realize the economic value to them of the security relationship," he said, "since they are spending a minimum on defense" (about 1.1 percent of their gross national product, probably a lower per capita figure than that of any other industrialized nation).

However, there is more discussion about defense, not whether troops should be sent into action outside of Japan—"that's still a long way off"—but whether, for example, Japan should consider participating in an international peacekeeping force.

Under the euphemism of "self defense forces," administered by a civilian agency,

Japan has assembled a rather effective air force (they are building F-104's in the country and will be building Hawks and Nikes). There is a small but fairly effective navy and well-equipped ground forces (all utilizing volunteers, since there is no draft).

The U.S. is playing it cool on the security treaty. Washington is conveying that we are not worried about its continuance, that it's really the Japanese who should be. One source told me this is having an impact—"the Japanese are worring more in terms of the U.S. maintaining rather than their renouncing the treaty.

"Responsible Japanese discussion is not in terms of renunciation but of an amendment to provide for another 10-year term, to make sure the U.S. sticks with it."

INSPECTION OF MEAT AND MEAT PRODUCTS

Mr. CLARK. Mr. President, until recently most consumers believed that all the meat and meat products they bought were inspected by the Federal Government and certified to be clean and wholesome. Unfortunately this is not the case, as the American people are now beginning to find out.

At the end of this week the Senate Committee on Agriculture and Forestry will begin a series of public hearings on H.R. 12144, the Wholesome Meat Act, which recently passed in House. I hope that out of those hearings will come an improved bill, designed to give the American consumer much-needed uniform meat inspection protection.

I invite the attention of Senators to an editorial in yesterday's Washington Post on the subject, and ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, Nov. 6, 1967]

THE MEAT CONTROVERSY

The almost unanimous vote of the House of Representatives for the meat-inspection bill reflects a strong public demand for the elimination of dirty meat. The bill would tighten up Federal inspection of all meat shipped across state lines and extend Federal aid to state inspection systems in line with Federal standards. The aim is to extend protection to all meat consumed in the United States by means of Federal-state cooperation.

The hot controversy which developed in the House was over the ways and means of achieving this objective. The House voted down the Smith-Foley amendment which was designed to extend Federal inspection to 5850 intrastate plants doing business of more than $250,000 annually. In discussing this proposal in our editorial of Tuesday, we neglected to make clear that, like the Purcell bill which the House approved, it would also extend aid to the states in the inspection of some 9000 small plants that would not be taken under Federal jurisdiction. Sponsors of the Smith-Foley amendment believe that it would encourage the states with no inspection laws to enter the field by narrowing their obligation. Opponents contend that it would discourage state action by Federal absorption of state powers and by leaving to the states only small slaughterhouses and processing plants where inspection is difficult and expensive.

Since both the bills contemplate Federal and state inspection systems the nub of the argument is where the dividing line should be drawn. If state inspection can be made effective in all the 50 states, we think the natural dividing line between interstate commerce and intrastate commerce is preferable. But it must be acknowledged that this is a big "if," and if the states do not do their part the task of throwing out contaminated meat will have to be taken over by the Federal system.

We think the Senate could improve the House bill by writing in a time limit during which the states would have to act. If any state should fail to provide for the inspection of all slaughtering and processing plants operating intrastate within two or three years, complete Federal inspection service would be provided in that state. This would allow the states that choose to expand their programs to do so and would allow complete Federal inspection wherever the states might fail to meet Federal standards. The states cannot have it both ways. They must do the job and do it effectively or yield to Federal agents who can.

A CALL FOR STATE INITIATIVE

Mr. GRIFFIN. Mr. President, on November 1, Mr. Peter B. Spivak, chairman of the Michigan Public Service Commission, addressed the 79th Annual Conference of National Association of Railroad and Utilities Commissioners—NARUC—in Hollywood, Fla. With the thought that Mr. Spivak's remarks will be of interest to my colleagues, I ask unanimous consent that his address be printed in the RECORD at this point.

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

SOME THOUGHTS ON THE INTRODUCTION OF THE POWER RELIABILITY BILL

(Address by Peter B. Spivak, chairman, Michigan Public Service Commission, Hollywood, Fla., November 1, 1967)

In the old isolated type electric systems the only source of reserve generation was in installed capability. As these systems grew in size and complexity, it became evident that it would be mutually advantageous for adjacent isolated systems to standardize on frequency and voltage, and interconnect the systems. A floating tie would synchronize the alternating current, stabilize voltage and make power interchange possible when needed. This idea gradually grew and developed until most systems had at least one outside interconnection with an adjacent system.

With the use of system interconnection came the necessity for careful design of protective systems for the tie lines. Both the amount and direction of power flow over the ties were critical to avoid overloading one system when the interconnected system requires extra capacity to supply unexpected load. Interconnection capacity support can be defined as the amount of power which a system can normally expect to receive, under emergency conditions, from other systems with which it is interconnected. The amount of support is dependent upon the reserve margin available in the interconnected systems, as well as the power carrying capability of the interconnecting tie lines.

Ultimate consolidation of small local utility companies into larger companies and systems has brought about longer power transmission lines. Consolidation of companies and development of more and new electrical equipment has caused the general electrical power requirement to grow extremely rapidly. More power required and longer transmission lines have combined to require higher transmission voltages until we are now working with hundreds of thousands of volts, and there is thought now of going to a million volts or more in the not too distant future for a special, high capacity transmission line.

Interconnection of vast power systems is now commonplace, requiring an even closer vigilance over protective circuit design. The Northeast power failure of November 9, 1965, is an example of what could happen if just one protective relay is set improperly in such a situation.

When major system disturbances occur, one of the matters for consideration is that of whether or not to continue interconnected operations with neighboring systems. If a system is the source of the disturbance, that system is likely to want to hold on to all interconnections as a source of help for righting its situation. On the other hand, if one system is not in trouble and another is taking extraordinary amounts of power, the supplying party may find it desirable or necessary to disconnect in order to save its own operations.

Such situations require sound judgment and fast evaluation and call for the most sophisticated of protective systems. A review of procedures by Michigan companies indicates that substantially all provisions for separations of systems are based upon maximum load carrying capacity of the interconnections. However, there is one important and major exception in that the interconnections between The Detroit Edison Company and the Hydro-Electric Power Commission of Ontario are also controlled automatically by the following types of system separation relaying: (1) out-of-step; (2) underfrequency, in two stages; (3) reverse power directional, used at times of large power importing; and (4) a combination low voltage-high current control. The operation of this protective control scheme kept the Michigan utilities clear of any distress from the Northeast power failure events of November 9, 1965. Automatic recording devices indicate that this interconnection was opened in 1⅔ seconds.

When the Eastern United States and Canada were hit by this massive outage of prolonged duration the public and media reaction which followed was as intense as it was understandable. No one wishes to be without light, and there were millions of people without light. We live in a loud world where television, radios and stereos are on in most homes for most of the evening. For millions of people it became a suddenly silent world. Streetlights not working; appliances not working; home health aids not working; these and many other things were genuinely frightening experiences; and the blackout was protracted. People demanded answers.

This is an answer-oriented society. It presently tends to look to governmental agencies for answers. The agency first looked to, and the one which began and continued to talk in terms of remedies and solutions, was the Federal Power Commission. While some individual state Commissioners talked, explained or discussed plans for the future, there was no state program announced in November 1965, nor was any forthcoming prior to the introduction by the FPC of its proposed Electric Power Reliability Act of 1967. That proposal followed, in terms of its introduction, closely upon the heels of the P-J-M outage in 1967. There had been cascading power failures in the Missouri Basin in 1965 and 1966. Lee C. White, Chairman of the Federal Power Commission, testifying before the Senate Committee on Commerce on August 22, 1967, said that there had been 19 major power failures between the Northeast power failure of 1965, and the P-J-M outage of this year. It is not surprising that this bill was introduced. It will be very surprising if Congress does not pass some legislation on this subject next year.

Following the introduction of the Federal Power Commission's bill, our President, Frederick Allen, appointed an Ad Hoc Com-

mittee, consisting of myself as Chairman, Commissioner Fred P. Morrissey of California and Commissioner Wallace R. Burke of Connecticut, to study this bill and to work on a program for the state Commissions and the NARUC. We have all been working on the problem and we have met and made what we consider significant progress. President Allen and Paul Rodgers, our General Counsel, have met with us. The Federal Power Commission has met with its Executive Advisory Board on this subject twice since the formation of our Ad Hoc Committee, and we have been kept informed of the deliberations of that body.

The remedy first advanced by the Federal Power Commission is one with which we are all familiar. It was that much new construction is needed and that coordinated regional and national plans are needed to implement national and regional grid systems envisaged for years by the F.P.C. I have heard it said by many that they object to this concept because unreliability increases as you increase the mileage of the grid. The need for more sophisticated protective systems becomes imperative.

The plans announced by industry in most areas and most states have envisioned more interconnections and more integration within grids with ever increasing sizes. Those who argue for more plants closer to urban or metropolitan concentration are being heard, but the listeners are building bigger grids. There is an attractive argument to this. It is an economic one. In fact, the problem of reliability has become enmeshed with the idea that interconnections can save money and give reliability too. The idea inherent in the F.P.C. bill that the saving of money which comes from shared generating capacity which the grid offers utilities will enable utilities and regulators to combat the problems with which conservationist groups, groups organized to protect the beauties of this land, are now deeply involved. This is a very attractive aspect of the proposed legislation.

As I said, the first reaction of the public to the Northeast power failure in 1965, was to ask for a solution. Much of the questing went to the federal government. Although many of the causes of the power failure were in areas under state regulation, the federal body was given much of the cannonading and much of the opportunity to offer solutions. The state Commissions had over a year and one-half to come up with their own solutions or alternatives, but we did not do so. Oh true, we did, many of us, issue study reports on the conditions within our states, but there were obviously states and areas with problems. Had we, as a national association of state Commissions, introducing a bill involving federal and state cooperation either in 1966 or in the first six months of 1967, it would be the Federal Power Commission which would be looking for alternatives or examining our bill to see if it is satisfied with the role we, in our drafting of legislation, have cast for it. Rather, as so often happened in my tenure as a regulator, we are the ones who must look for the alternative and see how we fit in or should fit in, or hope to fit in some else's bill.

The most recent previous example of this was in the gas safety regulation. No matter how many of us here may feel about the proposed federal regulation, we must acknowledge that prior to the intensity which it generated only 24 of our states had adopted the American Standards Association Code. At the time of the testimony of the Chairman of the Gas Committee of this organization this year, 41 states had adopted the Code and he was able to say that the others would shortly follow suit. Regardless of how good a performance anyone here may think this was or is, it is certainly vulnerable to the suggestion that at least half of the performance was the reaction to an impending federal program. This is not the firmest way to go to Congress and suggest the states can do the job.

As regulators we should be able to know and anticipate what areas need regulating as well as areas which Congress, the public and the media will expect us to regulate, and we should initiate legislation both state and federal to accomplish these aims.

I have heard it said by some that there is no need for regulation because industry is doing a "reasonably good job" in some of the areas which are being suggested for regulation or are being regulated. In today's environment, where solutions are demanded and regulation is expected to do a *full-time*, inventive, imaginative job with vigor and initiative, that kind of approach will not suffice. If there is a need and demand for regulation, industry will be regulated either by federal or state governments. The question for industry is which area it wishes itself to be regulated by in such a situation not whether it will be regulated at all. If industry desires state regulation rather than federal regulation in any given area, then industry itself should initiate the call if its state Commissions do not. It is shortsighted for any industry which feels that regulation is coming to attempt to keep its finger in the dike and hope that it will all go away. Industries spend hundred of millions of dollars on planning. Well, areas of regulation should be included within industry planning. If regulation is coming and needed, industry should, in this day and age, be an initiator or a co-sponsor. In the lexicon of utility industrial statemanship this should be an essential element. It is both necessary and realistic.

Your Ad Hoc Committee recognizes that in whatever proposal we make the ability of states to do the job will be an issue. There are many states, including some which have had major outages, in which the Commissions do not have the authority to pass on the construction of generating facilities. It will be difficult to say that the states should regulate reliability if they cannot even raise questions about the units which are to be integral parts of that reliability. We urge you to prepare and offer legislation at your next session giving Commissions this authority. We urge this position whether the Federal Power Commission bill passes or not, or whether some version of it passes or not. We urge it because it is needed.

On the question of overhead lines and aesthetics, only 37 states have jurisdiction over construction of at least some lines by utility systems. In some of our more populous states there is absolutely no regulation. Of the 37 states which do regulate lines, 13 of them have exemptions for facilities in areas already served if the extension is in "the ordinary course of business." Many states do not have any regulation over lines built by municipally owned utilities. A majority of the states do not have authority over lines built by REA Cooperatives. In these areas state regulation cannot be powerless to any degree or we will again appear before Congress and before the public as not having sufficient authority to do the job we say we want to do. If your state fits in any of these categories you must act now to remedy these situations.

The pattern of eminent domain and condemnation powers from state to state is far from consistent. There is a mounting chorus of complaint. The Federal Power Commission's proposal offers economic and aesthetic comfort to those who are concerned deeply and sincerely about this problem. The proposal states that 44,815 miles of new power lines, requiring almost 1 million acres of land, will be constructed by 1975. The Federal Power Commission offers itself as a forum, "an honest broker," a willing planner and, most of all, a concerned public body in this field. If the states have no authority and do not seek it, you may rest assured that those concerned with these issues will not repose their confidence in bodies which cannot act because of lack of statutory authority which they will not seek. These facts may be hard and may not be particularly palatable but they are political facts, and the failure to face them will not result in less regulation. Rather, it will result in a continuation of less and less regulation by the states because of pre-emption by the federal government. There will also be less and less interest in state regulation.

Let us not be disillusioned. Down the road of increased regulation by the federal government will come a startling and continuing de-emphasis of state public service and utilities Commissions. If the "big jobs" are being federally regulated there will be less budget for and less interest in the program of the less significant state regulation. The time may well come when the utility industry will say the burden of keeping two sets of books, or filing two applications or doing two of anything is becoming such that "we feel that we should be regulated in the main by one regulating body." If that time should come, which body will that be? Will it be the one that is doing the "big jobs" involving the most money and the most planning, or the one doing the "small jobs"?

We shall do our best and we will come up with a good NARUC program and position on power reliability. If initiative, programs and legislation are not coming forth in anticipation of need from this Association now and from now on ahead of the *federal government*, we shall be faced with years of listening to speakers tell us why we need to come up with yet another alternative for yet another program which someone else anticipated and acted upon.

MARYLAND COURT DECISION ON CHRONIC ALCOHOLISM

Mr. TYDINGS. Mr. President, on October 11, 1967, Judge Walter H. Moorman, of the circuit court for Montgomery County, Md., ruled, in the case of State of Maryland against Walter Ricketts, that chronic alcoholism was a defense to a criminal charge of public intoxication, and that a chronic alcoholic could not constitutionally be criminally punished because of this tragic disease. In this ruling, Judge Moorman followed the rulings of the Fourth Circuit U.S. Court of Appeals, in Driver against Hinnant, and the District of Columbia Circuit U.S. Court of Appeals, in Easter against District of Columbia. I applaud Judge Moorman's opinion and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks. In my view, it is wholly unjust to punish a man merely because he is an alcoholic. Medical treatment, not criminal punishment, must be provided.

The courts have taken the lead in making us aware of the problems of the chronic alcoholic. But now other agencies of the government—local, State, and Federal—must meet the need for medical treatment facilities which the courts have indicated. I believe that Congress has special obligation which it must discharge both to provide Federal assistance for alcoholism care and control programs and to establish a model treatment program in the locality under its direct control, the District of Columbia. To these ends, I have joined as a cosponsor of S. 1508, the Federal Alcoholism Care and Control Act, and have introduced in the Senate S. 1740, to establish a comprehensive alcoholism treatment program in the District of

Columbia. I urge Congress to approve both measures as soon as possible.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland?

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

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND—STATE OF MARYLAND *v.* WALTER RICKETTS, CRIMINAL NO. 8787

MEMORANDUM OPINION AND DECISION

This case is on appeal from the People's Court. At his trial de novo he pleaded not guilty to the following charge.

". . . that Walter Ricketts . . . on the 24th day of May, 1967 . . . was found drunk at Rockville and is an habitual offender, to the disturbance of the public peace, in violation of Article 27, Section 123, of the Annotated Code . . . and against the peace, government and dignity of the State. . . ."

The arresting officer testified as follows:

"May 24, 1967 approximately 2:40 p.m. we received a radio call of one passing out at Hickman's Esso.

Upon responding to the scene we found the defendant Walter Ricketts inside the gas station on a lounge which is made available for customers to wait while cars are being worked on. He was slouched over on the bench.

Officer DeVries and myself placed the defendant under arrest and being under the influence. We could smell a strong odor of alcohol about him. His speech was slurred and he could not stand on his feet.

At this time we took him in our cruiser to the Montgomery County Detention Center."

Evidence of five prior convictions for drunkenness within twelve months prior to his arrest on May 24, was established.

A psychiatrist testified that the defendant is a chronic alcoholic.

Among other provisions of Article 27, Section 123 of the Code it is provided that "Every person who shall be found drunk . . . upon any public street or highway, in any city, town or county in this State, or at any place of public worship or public resort or amusement in any city, town or county of this State, or in any store during business hours . . . shall be deemed guilty of a misdemeanor. . . . Habitual offenders may be fined not more than one hundred dollars or committed to jail or the Maryland House of Correction for not more than six months. An habitual offender is a person who shall have been convicted under the provisions of this section five (5) times in the preceding twelve (12) months."

The evidence reflects that the forty-one-year-old third-grade educated defendant who, when sober, earns his livelihood as a laborer on a turf farm, began consuming alcoholic beverages at the age of sixteen. Within the past twenty years he has been convicted two hundred eighty-six times for being under the influence of intoxicating liquor in public to the disturbance of the public peace. He has been hospitalized for alcoholism on several occasions.

The Act of Congress of August 4, 1947, entitled "Rehabilitation of Alcoholics," 61 Stat. 744 c. 472 defines a "chronic alcoholic" to mean:

"Any person who chronically and habitually uses alcoholic beverages to the extent that he has lost the power of self-control with respect to the use of such beverages, or while under the influence of alcohol endangers the public morals, health, safety and welfare."

As defined by the National Council on Alcoholism, a chronic alcoholic is defined as "a person who is powerless to stop drinking and whose drinking seriously alters his normal living pattern."

In *Driver* v. *Hinnant*, 356 F. 2d 761, the Court, in holding that a North Carolina Statute making it a misdemeanor for a person to be found drunk in public may not be applied to a chronic alcoholic, and further said:

"It is known that alcohol can be addicting, and it is the addict—the involuntary drinker—on whom our decision is now made. Hence we exclude the merely excessive—steady or spree—voluntary drinker.

"This addiction—chronic alcoholism—is now almost universally accepted medically as a disease."

One charged with public drunkenness may assert chronic alcoholism as a defense and introduce evidence in support of that defense. . . . and, public intoxication of a chronic alcoholic lacks the essential element of criminality. *Easter* v. *District of Columbia*, 361 F. 2d 50. Again, in the Driver case the Court held:

"Appearances in public, unwilled and ungovernable by victim of chronic alcoholism, cannot be basis for judgment of criminal conviction and to do so would affront 8th amendment as cruel and unusual punishment in branding him a criminal, irrespective of consequent detention or fine."

The State of Maryland recognizes that chronic alcoholism is a disease as reflected by Article 16, Section 49 of the Annotated Code of Maryland, 1957, whereby the Legislature authorizes a Judge of a Circuit Court to commit to a state hospital for treatment a person suffering from acute or chronic alcoholism.

The Court finds:

1. That on a charge of public intoxication under Article 27, Section 123, a defendant may assert chronic alcoholism as a defense and introduce evidence in support of that defense; that a chronic alcoholic is distinguished from the "voluntary drinker" and the person on a "steady or spree."

2. The Court further finds that the defendant, Walter Ricketts, is now and was on the date of his arrest on May 24, 1967, a chronic alcoholic.

3. That a chronic alcoholic is suffering from a disease that has caused him to lose the power of self-control with respect to the use of alcoholic beverages or while under the influence of alcohol endangers the public moral, health, safety and welfare, and that such a person is powerless to stop drinking and his drinking seriously alters his normal living pattern.

4. That by virtue of this disease the chronic alcoholic is incapable of entertaining the intent necessary to make public drunkenness a crime.

5. That to incarcerate or otherwise punish a chronic alcoholic for being in a state of intoxication in a public place constitutes cruel and unusual punishment and is in violation of the Eighth Amendment, as made applicable to the states by the Fourteenth Amendment of the United States Constitution.

For the foregoing reasons the Defendant is found not guilty, and it is further ordered that the Defendant remain committed to the Springfield State Hospital for treatment and observation of his chronic alcoholism, as ordered by the Court on October 11, 1967.

(NOTE.—The Court before reaching the foregoing decision perused the brief and particularly the bibliography therein submitted by Mr. Don L. Davis, Esq., of Austin, Texas; and Mr. Lawrence Speiser, Esq., of Washington, D.C., which brief is in regard to No. 405 in the Supreme Court of the United States, October Term, 1967, and for which the Court thanks the said attorneys.)

WALTER H. MOORMAN,
Judge of the Circuit Court for Montgomery County, Md.

THE CHANGING PUBLIC OPINION ON VIETNAM

Mr. GRUENING. Mr. President, as the full realization of the awesome predicament in which the United States finds itself because of its ever-escalating military involvement in an illegal and immoral war in Vietnam sinks in, more and more people—both in the Congress and throughout the country—are shifting their positions to oppose the policies of the United States in Vietnam.

It takes intestinal fortitude to admit publicly that one has been in error, but confession of error is far better than compounding that error by continuing on an incorrect course of action.

In recent weeks, many responsible legislators in both Houses of the Congress have, with great candor, taken this course of action and have admitted that they were wrong heretofore in supporting the military involvement of the United States in Vietnam.

In a constructive and perceptive editorial entitled "The List Grows," the Nation for November 6, 1967, has commented on these changes. I hope there are more.

I ask unanimous consent that the editorial be printed in the RECORD.

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

THE LIST GROWS

The Nation had occasion to point out some weeks ago that Sen. Thruston Morton had blazed a way to the truth on Vietnam by a three-word formula as simple as it was honest: "I was wrong." Amid the devious ways of politics, such candor is refreshing. It is also economical: argument and recrimination are avoided.

Senator Morton's example of admitting error in the briefest possible compass is catching on in the Congress and elsewhere. Sen. Robert Kennedy has been critical of our entanglement in Vietnam longer than Senator Morton, but never so bluntly as in his reply to a questioner at a business executives' lunch: "Looking back on those years (1961–1963) when I had some share of the responsibility [for Vietnam policy] there is no question I was wrong." Another recruit is Rep. Morris Udall of Arizona, the brother of the Secretary of the Interior and an emergent figure in his own right. We are on "a mistaken and dangerous road" in Vietnam, he now says, and he himself made a "mistake" in supporting Administration policy. Udall said he is not breaking with Mr. Johnson, either as President or as leader of the Democratic Party, but those Democrats who remain loyal to a losing cause can take scant comfort from his contention that a Republican might be elected President next year if he presented an option leading to American withdrawal from Vietnam. Kennedy and Udall are joined by Sen. Albert Gore, a member of the Foreign Relations Committee, who says we have stumbled into a morass in Vietnam and proposes that we negotiate ourselves out of it by consenting to the neutralization of Southeast Asia, including Vietnam.

An especially striking defection is that of Sen. Stuart Symington, for long a hawk among hawks. In the *St. Louis Post-Dispatch* (October 22) Richard Dudman calls the evolution of Symington's views "remarkable or even amazing." Mr. Symington is not nearly as summary in his change of position as was Mr. Morton, but his proposal is radical enough: cessation of all military activity in both North and South Vietnam and of reinforcement of troops already there, in an effort to get peacetalks started. If the enemy did not comply, the United States could resume the war "in any manner of its own choosing." Asked if he meant use of nuclear weapons, Symington said that would be unthinkable. The implied threat of all-out war

if Hanoi did not agree to negotiate almost guarantees a rejection. Some observers have thought that Symington was proposing a pause in order to bring more force to bear subsequently, but Dudman, on the basis of a long interview, concludes that the Senator wants to get the United States out of Vietnam, not into a wider war. A factor that weighs on Symington is the casualty list. Eighteen months ago he and his wife began to write a personal letter to the family of each Missourian killed in Vietnam. The 429th letter has just gone out.

The Democratic Party is falling into increasing disarray as the war drags on. The morale of Midwest Democrats could hardly be worse, and rebellion is brewing in several areas. In Michigan the retiring state chairman has volunteered to head any dump-Johnson movement, Minnesota Democrats are seeking a rival slate, and the influential Roman Catholic *Review* of St. Louis is supporting General Gavin's views. In New York, in a significant switch, the state NAACP has come out against the war. In a video vote on WABC, the New York City outlet of the A.B.C. network, 60 per cent of those who telephoned their views were opposed to Johnson's re-election. The following week (October 20), the question was whether we should get out of Vietnam. The replies exceeded 5,000, the largest so far in this poll. The yes answers were 55 per cent of the total.

As long as they were running in his favor, Mr. Johnson set great store by the polls. Now he seems to be deaf and blind, or unable to believe the figures. In November, 1966, on the basis of the polls, we were consoling ourselves and other peaceniks with an estimate of 20 million on our side. Gallup now sets the antiwar total at 46 million, indicating a precipitate drop in support for the Johnson course. Yet the President and, even more fervently, Hubert Humphrey, continue to defend the indefensible. How could two such consummate politicians get themselves into such a cul-de-sac? The British anarchist weekly, *Freedom*, asks, "Is Johnson a prisoner of war?" It is a sharp question.

RESISTANCE TO AGGRESSION

Mr. McGEE. Mr. President, Roscoe Drummond, in a column published in the Washington Post of Saturday, November 4, stated a fact which, in my own experience, I find to be true: That is, that Americans of whatever circumstances find the most compelling reason for our Nation's involvement in Vietnam to be resistance to aggression at its start so as to avert worse war under worse conditions with worse casualties.

As Drummond wrote:

This is exactly what we failed to do when the cloud of Hitler's oncoming aggression was no larger than a man's fist. No nation resisted Hitler when he invaded the Rhineland. Nor when he invaded the Sudetenland. Nor when he took all of Czechoslovakia. Then came Poland, and World War II could no longer be averted.

Mr. President, as Roscoe Drummond observes, we are today applying the lesson we learned so well in the thirties. We are applying it in Vietnam. I ask unanimous consent that Mr. Drummond's column, entitled "Basic Reason for Viet War Is To Avert Bigger Conflict," be printed in the RECORD.

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

BASIC REASON FOR VIET WAR IS TO AVERT BIGGER CONFLICT

(By Roscoe Drummond)

DALLAS.—Two things stand out in the way people feel about Vietnam, as I discovered talking with audiences—on campuses and off, in large cities and small communities—from Nebraska to Texas:

1. Despite impatience and frustration, there is very little support for quitting the war. Many may feel it was a mistake to get in, but few propose we get out.

2. There is scarcely any emotional commitment to what we are doing in Vietnam and an almost total lack of understanding as to why we are doing it.

It isn't that the public is inattentive. It is that the case which President Johnson has made has not convinced most people and, when it has, they haven't stayed convinced.

Why? After being asked many times by students and adults why there is so much division in the United States about the Vietnam war, I feel that one answer is that the public has been given too many different reasons without adequate and sustained emphasis on the single overriding reason.

It is true that we are protecting South Vietnam from Communist expansion-by-force. It is true that we are insuring the right of the South Vietnamese to have a government of their own choice. It is true that we pledged ourselves under the SEATO treaty to help protect the Southeast Asian nations. It is true that, if we failed to stay the course in Vietnam, no nation could count on the word of the United States.

All valid reasons, but not the compelling, the commanding, the most convincing reason.

No one, I suspect, can convince the great majority of Americans—and keep them convinced—that we should bear the pain and punishment we are experiencing in Vietnam unless the reason bears concretely, directly, and visibly on the security and welfare of the United States itself. All other arguments are subsidiary and diversionary.

The one reason for our being there which I found most meaningful, most acceptable, and most convincing to audiences throughout the Midwest was this:

In defending South Vietnam, the United States is resisting aggression at its start in order to avert worse war under worse conditions with worse casualties.

This is exactly what we failed to do when the cloud of Hitler's oncoming aggression was no larger than a man's fist. No nation resisted Hitler when he invaded the Rhineland. Nor when he invaded the Sudetenland. Nor when he took all of Czechoslovakia. Then came Poland and World War II could no longer be averted.

The United States is defending against aggression at its start in South Vietnam in order to save lives. And how are we saving lives? Think how many lives would have been saved if the United States had joined in the resistance to Hitler at the start instead of waiting until he had grown more powerful, had immobilized two neighboring nations and become convinced that the United States would remain aloof no matter where the Nazis turned to conquer in Europe.

But we didn't and it was then too late to avert worse war. The United States today is applying the valuable lesson of what it failed to do before World War II.

POTATO LABELING BILL DRAWS ADDITIONAL NATIONWIDE SUPPORT

Mr. CHURCH. Mr. President, pending in the Committee on Commerce is S. 562, the proposed National Potato Labeling Act. Under the provisions of the bill, the containers in which potatoes are packed shall bear a label which clearly indicates the State of origin of the potatoes and the name and address of the packer or repacker. This is in line with good truth-in-packaging practices, to which every housewife is entitled.

Objections have been raised to this legislation on the ground that it will benefit only two States: Idaho and Maine. That is not true. Potato grower associations across the country have said that it is not true.

Mr. President, additional strong nationwide support has recently come from the National Association of State Departments of Agriculture. That association, in their convention last month, recognized the bill would be beneficial to all States, and put themselves on record saying so.

Mr. President, I ask that Resolution 1, adopted at the 1967 convention of the National Association of State Departments of Agriculture, be printed in the RECORD.

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

RESOLUTION 1.—NATIONAL POTATO LABELING ACT—(MARKETING, TRANSPORTATION, AND WEIGHTS AND MEASURES)

Whereas, potatoes are produced commercially in most of the States; and

Whereas, there are differences in potatoes produced in various areas of the country; and

Whereas, there have been proven instances where potatoes have been mislabeled as to state of origin; and

Whereas, this mislabeling is harmful for both producer and consumer; and

Now, Therefore, Be It Resolved, that the National Association of State Departments of Agriculture in convention assembled at Atlanta, Georgia, October 1–5, 1967, strongly supports the passage of S. 562 entitled "A Bill to require fresh potatoes purchased or sold in interstate commerce to be labeled according to the State in which such potatoes were grown."

THE ALASKA MINERS ASSOCIATION CALLS UPON THE SECRETARY OF THE TREASURY FOR AID TO GOLD MINERS

Mr. GRUENING. Mr. President, ever since I began my service as a Senator from the State of Alaska, it has been my constant endeavor to achieve the enactment of legislation that would revitalize the once great gold mining industry of Alaska.

Twice the Committee on Interior and Insular Affairs has reported proposed legislation I have introduced to permit payments to gold miners of amounts equal to the difference between costs of production in 1940, the year in which we reached our peak of gold production, and current costs. Regrettably, the Senate has never been given an opportunity to act on this measure, despite repeated pleas from the sponsors of the bill. I would again call upon the leadership of the Senate to allow this measure to come before this body for debate and passage during the 90th Congress.

No business enterprise in the United States has suffered more cruelly and so unjustly from arbitrary and discriminatory practices of the Federal Government than the gold miners. Since 1934, the price they have been paid for the commodity they produce has not been allowed to change because it was set by Executive order in 1933 and the executive branch refuses to change that order. During World War II, gold miners were ordered to close their mines—alone

among mines of the world and alone among enterprises in the United States. No compensation was ever paid for this action by the Government although the gold miners suffered cruelly and although they sought redress in the courts when the war was over.

As a result of the difficulties gold miners have repeatedly encountered, the mining of gold in Alaska on any significant scale at all has virtually vanished. The reason is that gold cannot be produced profitably at the price now allowed. While the price at which the commodity is sold has remained the same since 1934, the cost of everything required to mine gold has risen relentlessly. Therefore, gold miners can no longer pursue their occupation and make a living.

Many gold miners in Alaska believe the solution to their plight is to release gold from its tie with the monetary system of our country. Many believe that if gold could be sold to the manufacturers directly, free from the $35-an-ounce limitation, the price would rise to a level at which it could profitably be mined. The Alaska Miners Association, of which Mr. Leo Mark Anthony is president, and Mr. Mark Ringstad is vice president, have asked me to call upon the Department of the Treasury for the action recommended.

I ask unanimous consent that the text of a letter to the Secretary of the Treasury, Hon. Henry Fowler, by Mr. Anthony and Mr. Ringstad, a copy of which was furnished me, be printed in the RECORD.

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

ALASKA MINERS ASSOCIATION,
Anchorage, Alaska, October 27, 1967.

Mr. HENRY FOWLER,
Secretary, U.S. Treasury Department, Washington, D.C.

DEAR MR. FOWLER: In the light of your pronouncements concerning the establishment of fiduciary money, the miners of Alaska request that gold be freed as a commodity to seek its own price in the marketplace.

Such action by you would stop the discrimination against the possession of gold by United States citizens. In addition, it would create a supply and demand market for gold in the best traditions of American free enterprise and end present discriminatory policies against the sale of gold to users by producers. This action would free the United States government from paying a "support" price of $35 per troy ounce for gold—thus helping to balance our national budget.

We ask for this action in the name of honesty and justice.

Very truly yours,
LEO MARK ANTHONY,
President.
MARK RINGSTAD,
Vice President.

STEELWORKERS' TESTIMONY ON QUOTA BILL

Mr. HARTKE. Mr. President, one of those who testified before the Committee on Finance on October 20 on the Hartke-Dirksen steel quota bill was Mr. Joseph P. Molony. Mr. Molony is vice president of the United Steelworkers of America. His excellent testimony supported the proposal before the committee.

I ask unanimous consent that the testimony be printed in the RECORD.

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

TESTIMONY OF JOSEPH P. MOLONY, VICE PRESIDENT, UNITED STEELWORKERS OF AMERICA

Mr. Chairman, my name is Joseph Molony. I am vice president of the United Steelworkers of America, a union which represents the workers in the basic iron and steel industry in the United States and Canada. We also represent the iron ore miners in both countries.

It is on their behalf that I appear before you today to testify in support of the Hartke-Dirksen Bill (S-2537), to provide for orderly trade in iron and steel mill products. We will recommend, however that the bill also cover iron ore imports and that Canada be excluded from the application of any of the quotas.

The force of reality has brought us before you today. The reality is the fact that steel imports have captured almost 11% of our domestic market, and that there is no evidence that this upward trend in imports will slacken off.

Since 1957 there has been a complete reversal in the import-export picture. At that time, imports represented less than 2% of consumption. Today, imports are about 11% and account for almost eleven million tons of steel products. In 1957 we exported about 7% of net industry shipments; whereas, today we export less than 2% of our shipments.

OVERCAPACITY

The prospect of a continuing overcapacity in world steel-producing capacity gives us cause for concern.

Steel production in the European Common Market alone in 1965 doubled the levels of 1952. In comparison, steel production in the United States has increased only 40 per cent between 1952 and 1965. To the extent that these increases in foreign production might have reflected increased demand in their home markets, there would have been no strain in world trade. However, this has not been the case.

As world steel-making capacity rose, steel-producing nations, with insufficient domestic demand, turned to foreign markets to unload production from excess capacity.

It is precisely this acceleration of excess capacity, which has outstripped world demand, that has caused pronounced repercussions upon the American steel industry. Not only has our industry lost most of its own foreign markets to unfair international competition, but the American market itself has become a net importer of steel both in tonnage and in value of steel imported. It should also be noted that somewhat less than half of the American exports are now financed by the Agency for International Development.

As a consequence, we in the union are faced with new and vexing problems. The more recent acceleration of steel imports has come at a time of an extended boom in the American economy. Steel production in 1966 is at an all-time high, having reached 134 million tons. Despite this increased production, however, steel employment has substantially declined. In 1952, steel production stood at 93 million tons and employment at 545,000 workers. Employment in 1966 was only 446,000 workers, 99,000 less than in 1952, although production had increased by 41 million tons. Of course, this is the result of increased productivity and is an economic factor decreasing the need for manpower in the steel industry regardless of the import situation. Without the increased demand for steel accompanying our present economic growth, the impact of automation on steel employment would have been intolerable.

The import situation, therefore, becomes all the more critical when we realize that the American steel industry during the next few years intends to accelerate its present investment in technological improvements. Such improvements are essential to keep abreast of developments in other countries, and to keep our industry competitive. Last year these capital expenditures exceeded $2 billion, and we expect that they may be as great or greater this year. These investments will result in greater productivity of manpower. If demand does not keep pace with the new productivity, there will be even further decreases in the ranks of steelworkers.

Our problem, then, is one of wondering whether growth of the American economy will be strong enough and sustained enough to generate a domestic demand for steel to compensate for the increased productivity. Steelworkers who have suffered deep levels of unemployment in this decade, have good reason to doubt whether such a balance can be achieved. This problem is compounded as imports eat into domestic demand. As a matter of fact, we have strongly supported expansionary fiscal and monetary policies to stimulate economic growth. The political climate in Congress is not always sympathetic to such policies.

We are, therefore, justifiably concerned that increased imports might capture an even more disproportionate share of that demand. If this should happen, then even more jobs will vanish.

I mention the fear of a "disproportionate share of the market" because of the pressures under which the world steel community is currently operating. I emphasize again there is an extraordinary over-capacity in steel production and a lack of demand in foreign home markets. It is no wonder, then, that Japanese imports to the United States increased to 45% of our total import market. Moreover, it is estimated that by 1970 Japanese capacity will outstrip its own rate of consumption by about 30 million tons.

Furthermore, Japan is not alone in this situation of an imbalance between capacity and domestic consumption. The steel-producing nations of Western Europe may well match Japan with similar levels of surplus capacity. We think it is unfortunate that this overcapacity exists because it causes a serious strain on trade relationships. Overstimulation of investment in steel productive capacity results in difficult employment pressures in the foreign countries and awkward international trade relations. When faced with an ever-widening gap between capacity and consumption, the industries of these countries are propelled by a compulsive urge to maintain production by expanding their share of the export market through drastic price sacrifices. Much as I might admire this full production and employment policy of the foreign companies, I realize that ultimately it will be the members of my union which will have to bear the brunt of uncontrollable and unreasonable expansion of foreign productive capacity and increased exports to our shores.

Concern over excess capacity is not just an American problem. A recent article in the November 1965 issue of the *Economist* states: "Steel producers are asking themselves if they must adjust to living permanently in a state of near recession . . . The main reason for the situation is the reaction of producers, particularly European, to overcapacity . . . Attempting to sell their production at any price, the main producing countries found themselves undercutting in each others' home market."

The United Steelworkers of America must react to the threatened job loss that such a situation can produce, as highlighted by the following factors:

1. *Steel investment policy.* I mentioned before the American steel industry has embarked upon a policy of large scale investment for modernization. There has been criticism that the industry has not been ag-

gressive enough in keeping abreast with technological advances. Yet we all are aware that technological advances result in fewer man hours per unit of production because of productivity increases. Hence only a growing domestic demand will absorb our manpower, which otherwise would be displaced. During this period of modernization, we simply cannot afford to see an excessive capture of that increased domestic demand by foreign producers. We do not oppose their access to that increased demand, but we have now come to the conclusion that 10 per cent of that market is indeed reasonable enough. Otherwise, accelerated technological investments will be paid for through the loss of American steelworkers' jobs.

2. *Periods of Recession.* Faced with this overcapacity problem, our concern becomes particularly crucial if there is an economic downturn and the foreign producers retain their current tonnage share of the market. Their percentage share of domestic consumption then would rise disproportionately to the detriment of the American industry, and Steelworkers. The higher percentage levels of imports could be disastrous. Four times since the end of World War II, the steel industry has been plagued by recession. During some weeks, production dropped to below 50 per cent of capacity. As many as 150 thousand steelworkers have been laid off and large numbers of those on the job were employed on short work weeks. Fortunately, during each of these occasions in the past, steel imports were not a serious problem, either because they were still low, or because steel exports were still large. Now, however, the situation is reversed. If, for any reason, the steel industry should again fall victim to a recession, and employment tumble, as in the past, then it would be unacceptable for imports to continue at the present tonnage rate.

3. *Inventory Buildup.* Every time a steel labor contract approaches expiration, demand for our product rises almost geometrically as steel consumers build up large inventories. This, of course, is especially true if the negotiations take place during a period of high economic activity. Steel consumers raise their inventories and stockpile as a hedge against a possible steel strike. So, domestic production is pushed to the utmost and imports rise beyond all measure. Sometimes exporters take advantage of this situation and insist upon long-term commitments to satisfy the eager American customer. In any event, the moment it becomes clear that there will be no strike—and, incidentally, Mr. Chairman—there has been no strike for 8 years, the domestic production drops sharply, and tens of thousands of American steelworkers are laid off. Imports, on the other hand, tend to continue at the new, artificially high level.

Steel imports dramatically increased during the prolonged negotiations of 1965 from 6.4 million tons in 1964 to 10.3 million tons. Furthermore, the characteristic of such an increase is that it remains fixed at the higher level. It then becomes a new floor upon which additional imports are built. Already there are estimates, as we approach the negotiations of 1968, that there will be a minimum of 15 million tons imported next year.

In 1965, after the last inventory buildup, some 65,000 steelworkers were laid off, while steel imports were coming in at the rate of about one million tons a month. Providentially, demand continued high, and even expanded, so that, within 4 or 5 months, or about the beginning of 1966, the laid-off steelworkers were all recalled to their jobs. But in 1968, when our present contract expires, we may not be so fortunate.

LEGISLATIVE ACTION

We have been re-examining our posture with respect to liberal trade policy for the past few years. As the imports continued to rise, there were many who urged us to adopt the protectionist position of higher tariffs. We rejected this approach. While we had not yet formulated any new position, we made repeated entreaties to union, industry, and government officials abroad to moderate their accelerating seizure of the American steel market. Our international representatives urged voluntary action and international steel conferences within the framework of the General Agreement on Tariffs and Trade. But all was to no avail.

We now urge passage of S. 2537, with modifications which I will suggest, so as to establish an orderly steel market—one which could well have been negotiated under a voluntary agreement, if there were the inclination. By establishing a quota system, which is flexible and generous enough to grow with the economic expansion of the American market, we are, in effect, guaranteeing to foreign producers access to the American market on a reasonable basis.

Section 8 of the bill is designed to take care of the problem of inventory buildup during negotiations, since no more than 60 per cent of the annual quota in any one category from any one nation may be utilized during any 6-month period. I would call attention, however, to the fact that, under this bill, during a recession, imports would still be permitted at abnormally high levels for that year. I suggest that the formula be modified to correct this condition.

Another concern which we have about this legislation is that there will be pressure to get in under the quota deadline. This may actually stimulate domestic buyers to go overseas before the bill becomes effective. We recommend, therefore, that a provision be added to deal with this contingency.

The bill also provides that the Secretary of Commerce should give a report to Congress about the impact of the quotas after 5 years. Perhaps we can think of the quota system as being on a probationary basis. The 5-year probationary period is particularly advisable. It may give our own industry the opportunity to increase its technological improvements without job loss, while at the same time the reasonable limitation of access to the American market may decrease the tendency for over-expansion of world capacity.

IRON ORE

Senators, our main concern in appearing before you, as I mentioned earlier, is the protection of the jobs of the members of the United Steelworkers of America. However, our union includes not only basic steelworkers but also iron ore miners. For years, our miners have complained about job losses due to the importation of iron ore by American steel companies from foreign properties totally or partially owned by them.

Their job loss is no less real—especially when there is a downturn in steel production without a proportionate reduction of iron ore imports. Over 36 per cent of domestic ore consumption—44 million tons—was imported last year.

Although conditions on the Iron Range have improved with the exploitation of taconite, we would recommend nonetheless that a quota system be devised to provide similar safeguards for iron ore miners.

CANADIAN COVERAGE

We are aware also that there is a very close economic relationship between Canada and the United States.

Just recently, a treaty was signed eliminating tariff barriers in the automotive industry. We would recommend that the application of the quota system of this bill not apply to Canada.

CONCLUSION

Before I conclude, Mr. Chairman, I wish to indicate that we are aware that this committee is currently deliberating upon a social security bill, the need for which we wholeheartedly endorse. As a matter of fact, we are advocating additional provisions for the benefit of workers, including one to protect those with long years of attachment to the work force, whose pensions may be decreased.

SOUTH DAKOTA BANKER COMMENTS ON VIETNAM

Mr. McGOVERN. Mr. President, over the past 3 years I have received a large number of letters from my fellow South Dakotans expressing their views on our Vietnam involvement. Many of these letters are outstanding, both in content and style.

Typical of some of the more thoughtful letters I have received is one dated June 7, 1967, written by Mr. Arthur Graslie, president of the First National Bank of White, S. Dak. I was impressed with the practical wisdom of Mr. Graslie's letter, and I ask unanimous consent that it be printed at this point in the RECORD.

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

FIRST NATIONAL BANK,
White, S. Dak., June 7, 1967.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: I have just read your speech of April 25, 1967 delivered on the Senate floor with a great amount of interest. It is gratifying to learn that we have one public official in Washington who is deeply concerned about the Viet Nam problem. I am sure there are others equally concerned but somehow we get the feeling out here the whole mess is a hit and miss proposition. I do not feel personally that our government has done all it possibly can to bring about an end to the strife. It is my feeling that if the United States would see its greatness shine through, it would try to work out an arrangement whereby the entire nation of Viet Nam could again be reunited with a government elected by the choice of the people. We cannot anywhere in the world try to maintain an unpopular government in power any more than we would tolerate such a government here at home. It appears to me that with the number of men in the military in South Viet Nam, we should not need any armed forces there at all if they had a good national spirit and will to work with their own government. I believe that if we could bring the North and South together into a coalition government, they could eventually work out their own problems with economic aid from us. By helping reunite the country and getting them back on their feet, we may find a very strong ally against China in the future. We cannot belittle the aims of the North Vietnamese in doing this however.

It is extremely difficult to back out of a position like we are in at the present time, but I can't help but feel that there are outlets for both sides enough to save face. The costs of the war are staggering when compared with the number of people involved. How much better to use all this money in a constructive program for Asia. I believe that much could be accomplished through talks of any type, no matter how minor the officials involved. We've simply got to get talks started because no reconciliation can be achieved without conversation.

Very truly yours,

ARTHUR GRASLIE,
President.

"POLITICAL SLIPPERINESS" IN THE SOCIAL SECURITY BILL?

Mr. HARTKE. Mr. President, tomorrow will be the final day of consideration

by the Committee on Finance of the form in which the social security bill will be presented to the Senate for action.

One tentative decision previously announced has created a storm. I, and I presume other members of the committee, have been deluged with telegrams as well as letters protesting a tax base and rate considerably higher than is needed to finance the benefits we propose. There has been editorial protest as well, including that of the Louisville Times in its edition of last Saturday, November 4, under the heading "A Bad Tactic With Social Security."

I am in agreement with the views expressed there, and I hope this body will not act to adopt what the editorial calls "a subterfuge, a trick" under which social security taxes would be used as a back-door means of enacting a substitute for a surtax which could not at this time secure adoption. In the words of the editorial, social security taxes should not be used "as a means—and a dubious means at that—of combating inflation."

Mr. President, I ask that the editorial be printed in the RECORD.

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

A BAD TACTIC WITH SOCIAL SECURITY

The Senate Finance Committee has approved a plan which would increase Social Security benefits—along with Social Security taxes.

A Washington news story says that if this $6.1 billion tax increase (to pay for benefits of $4.7 billion) should be adopted by the full Congress, it "might remove the need for President Johnson's proposed 10 per cent income tax surcharge and provide a significant brake against inflation. . . . The committee's action was viewed by some as an ingenious end-around play that would offer legislators a more politically palatable way of voting a tax increase than does the president's income tax surcharge."

If by any chance this kind of political slipperiness is involved in the Social Security proposal, it seems to us unfortunate. It is a subterfuge, a trick—assuming that the sharp tax increase is motivated by a desire to substitute it as a sugar-coated pill in place of the income tax surcharge.

We think it is questionable economics and poor politics to try to use the Social Security system for political ends. Virtually everyone in the United States contributes to Social Security. Nearly everyone benefits or hopes to benefit from it. We cannot believe that all these millions of people would accept placidly the thought that the amount of money they pay in Social Security taxes was inflenced by anything except the need for Social Security benefits. We certainly do not believe that they would accept the thought that their Social Security taxes were rising sharply as a means—and a dubious means at that—of combatting inflation.

If these steeply higher taxes are needed to sustain and improve Social Security, that is one thing—and the question should be argued on its merits. But if the idea is to impose these higher taxes primarily in the hope that they will make it possible to avoid enacting the income tax surcharge, that is quite another question, one that has nothing to do with Social Security.

The road between Senate Finance Committee approval of a measure and its enactment by Congress is a long one. We hope that somewhere along that road the two questions about an increase in Social Security taxes will be separated.

INTERGOVERNMENTAL PERSONNEL ACT OF 1967

The Senate resumed the consideration of the bill (S. 699) to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State and local merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes.

Mr. MUSKIE. Mr. President, S. 699, the Intergovernmental Personnel Act of 1967, is one of the most important bills to come to the Senate floor in many years. It is designed to improve the balance of our Federal system and to help State and local governments to operate with maximum efficiency and independence. It will help them to do so within the framework of a national purpose to enable individual citizens to realize their potential in a free society.

The bill blends ideas from nearly every corner and segment of our country. In my years of experience in intergovernmental affairs, I have not felt a greater sense of urgency and support than I have for this legislation. It has come from Governors, State legislators, State and local administrators, and academicians, as well as from the public at large.

What makes the legislation so important, so acceptable to the officials of our State and local jurisdictions?

First, S. 699 provides grants to State and local governments for the planning and development of improved personnel systems. This could include everything from career incentives and improved recruitment policies to personnel research.

Second, it provides additional grants to State and local governments for training and Government service fellowships. This would include authorization for the use of Federal training programs and technical assistance, where requested, in addition to the establishment of State and local personnel training programs.

Third, it provides for the exchange of personnel between the Federal Government and State and local jurisdictions to provide a mobility of knowledge and experience for qualified administrators up and down the line.

Mr. President, there are other progressive features to the bill. It would provide for a special advisory council to study and report within 18 months on the methods by which the quality of public service at all levels can be improved. It gives particular emphasis to the feasibility of applying merit system standards and incentives to applicable programs and levels of administration. The council would be composed of representatives of Federal, State, and local governments as well as persons selected from educational and training institutions, public employee organizations, and the general public. Significantly, at least half of the council's members would be officials of State and local governments.

The Civil Service Commission would be the chief coordinating and administering agency under this bill. It would take over responsibility for a number of Federal programs which already require merit personnel administration, join with State and local governments in cooperative recruitment and examining programs, provide technical assistance, and coordinate the activities of other Federal agencies in the fields of training and technical assistance.

Like every Federal grant-in-aid bill, S. 699 contains some Federal requirements which are really prospective, rather than conditional in the usual sense. The Civil Service Commission has a mandate of flexibility in determining the funding. In order to be funded, the projects applied for must be consistent with certain merit principles set forth in the bill's declaration of policy.

Mr. President, the funding for this legislation is modest. Because the program is in its beginning stage, we have tried to be conservative in the money authorizations, even though our constituents in the State and local jurisdictions would like us to be more liberal. The legislation authorizes $20 million for the first year, $30 million for the second year, and $40 million for the third year. The matching requirement on the personnel and the training sections is 75 to 25 percent. We have included an amendment that would guarantee a minimum to each State regardless of size, population, or number of employees affected. We have protected the interests of the smaller States by restricting the maximum allocation to any one State to 12½ percent of the total appropriation.

Mr. President, I think for the benefit of my colleagues that I should say that we have had an interesting and constructive dialog with our friends on the other side of the aisle on this bill. The junior Senator from Tennessee [Mr. BAKER] offered 16 amendments, most of which the Subcommittee on Intergovernmental Relations accepted in reporting the bill to the full Committee on Government Operations. Senator BAKER's amendments were practical, helpful, and reasonable in the spirit of making the bill more effective in its application to State and local administration.

Under the bill, as reported, the Governors play a key role in the development and administration of the program.

They name the agencies to administer the projects at the State level, and they or their agencies review and make recommendations on all applications submitted for the projects in their States. The bill relies primarily on State governments to develop projects, including projects for local governments. If, however, a State government does not choose to provide projects for local governments, a local government can get a grant directly after submitting its application to the State for review and comment.

The senior Senator from South Dakota [Mr. MUNDT] offered an amendment in committee which would give the Governors final authority over the distribution

and use of the Federal project grant funds. His amendment was rejected by the committee. I understand he intends to make the same proposal today. I hope the Senate will support the committee's position and reject his amendment today.

Under the Mundt amendment funds appropriated for project grants would be allocated among the States on a per capita basis. Authority to determine whether or not any project conforms to the criteria for approval set forth in the bill would be transferred from the Civil Service Commission to the Governor of each State. If a Governor did not choose to use the project grant funds allocated to his State, they could not be transferred for use in another State. The Governor could prevent any local government from participating in the program simply by withholding his certification from a proposed project.

As a former Governor I am opposed to the Mundt amendment as unsound in principle and contrary to the intent of the project grant section.

For my part, I want to say that this legislation as reported by the Government Operations Committee represents the thinking and full support of many Governors, local officials and organizations, and professional and public groups, including the National Governors' Conference, the Council of State Governments, the U.S. Conference of Mayors, the National League of Cities, and the National Association of Counties. It has been endorsed by some of the most respected academicians in the field of public administration.

The legislation has been the subject of extensive hearings. In August of 1966 we held hearings on the bill—then known as S. 3408. We heard testimony from 15 witnesses, and we received over a hundred supporting statements from a cross section of public administrators. In April 1967, we held 3 days of hearings on both S. 699, and on S. 1485, the Intergovernmental Manpower Act, which was sent to the Congress by the Administration as part of President Johnson's legislation related to his message to Congress on the quality of American government.

Again, we heard from 20 witnesses, and received hundreds of statements and testimonials from officials in the intergovernmental personnel and administrative fields.

Our purpose was to blend the best features of these two bills. However, both pieces of legislation contained a rather strong provision which would have authorized the President to require, insofar as he deemed practical, that personnel engaged in programs involving Federal grants must be employed under a State or local merit system. Except for the question of protecting employee's rights, this provision aroused the only major opposition to the legislation both in the hearings and in the committee. The consensus was that this requirement was too rigorous for the moment; that we should be reaching for this goal through encouragement rather than legislative mandate; and that the problem of what is, or what is not, a good or necessary merit system is still a thorny one. Thus, we eliminated this merit system feature, but set forth in the declaration of policy in the bill a series of merit principles to which each applicant must subscribe in order to obtain assistance in manpower development and training. We then authorized an advisory council to study the problems of merit systems and personnel administration and report back to the Congress its findings on more meaningful ways of encouraging merit principle applications to personnel administering Federal programs at State and local levels.

The committee also dealt with the question of preserving the rights of employees, by specifically including a clause stating that nothing shall prevent the participation of employees or employee organizations in the formulation of policies and procedures affecting the conditions of their employment. This is subject to the laws and ordinances of State and local governments concerned.

Mr. President, the last major questions before us are the amendments of the senior Senator from South Dakota, which I understand will be the major issue for discussion today.

Mr. President, I believe that S. 699, as reported by the Government Operations Committee, is a very essential piece of legislation. I believe it will benefit the entire country by strengthening the States and by improving the quality of local administration. I urge my colleagues to vote for its passage.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUNDT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MUNDT. I send amendments to the desk and ask that they be read for the information of the Senate.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk proceeded to read the amendments.

Mr. MUNDT. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with. The remainder of the amendments is a matter of technical markings. I further ask unanimous consent that the various sections of the amendments be considered en bloc as one amendment.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc; and, without objection, the amendments will be printed in the RECORD.

The amendments, ordered to be printed in the RECORD, are as follows:

On page 35, strike out lines 19 through 24 and insert in lieu thereof the following: "projects upon the certification of the Governor that those programs or projects are consistent with the applicable principles set forth in clauses (1)-(6) of the third paragraph of section 2 of this Act, to strengthen State and local government personnel administration and to furnish needed personnel administration services to local governments in that State. Eighty per centum of the grants authorized by this section shall be apportioned on the basis of the distribution formula set out in section 506, and funds shall not be transferable among the States. The remaining 20 per centum shall be distributed by the Commission to applicants that the Commission finds meet the purposes of this Act and which it finds are consistent with the principles set forth in clauses (1)-(6) of the third paragraph of section 2. The authority provided by this section".

On page 38, line 25, beginning with "which", strike out through "finds" in line 1 on page 39, and insert in lieu thereof "upon the certification of the Governor that those programs or projects".

On page 73, beginning with line 9, strike out through line 7 on page 74, and insert in lieu thereof the following:

"SEC. 506. The Commission shall allocate funds for grants among the States, and between State and local governments, on a weighted formula taking into consideration such factors as the size of the population and the number of employees affected.".

On page 75, strike out "(a)" in line 17, and beginning with line 22, strike out through line 2 on page 76.

Mr. MUNDT. Mr. President, the views I am about to discuss have been conveyed to the Members of the Senate via a pair of mimeographed sheets which have been placed on the desks of individual Senators. It bears the heading, "Individual Views on S. 699." It is signed, in addition to me, by Senators CURTIS, HANSEN, BAKER, and ERVIN.

I am advised that the minority views are also printed in the record of the committee.

I ask unanimous consent that these individuals views may be printed at this point in the RECORD.

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

INDIVIDUAL VIEWS ON S. 699

There is no divergence of view that the purposes of this bill for improvement of personnel administration in State and local government meet an important need of these governments. Serious burdens of administration are being placed on State and local governments with expanding populations placing greater demands for more governmental services provided more efficiently and effectively.

This measure would authorize Federal agencies to include State and local government officials and employees in existing Federal training programs and to provide special training for these governmental personnel having responsibilities in the grant programs concerned.

The Civil Service Commission would be authorized to make grants to States and local governments for carrying out training programs of its employees and to provide fellowships for special university and college graduate training. The Commission would be authorized to cooperate with State and local governments in recruitment and examining activities. This bill provides for the initiation and expansion of temporary assignments of personnel between Federal, State, and local governments.

These are but a few of the provisions of this legislation which have highly laudatory purposes for strengthening personnel administration. My opposition lies in the manner in which funds authorized for a grant program are made available to State and local governments. Section 202 authorizes the Civil Service Commission to make grants to States for up to 75 percent of the cost of developing and carrying out programs and projects which the Commission finds are consistent with merit principles set out in Section 2. We support an amendment which would make available 80 percent of the annual appropriation to the States on the basis of population, upon the certifica-

tion by the governor that the proposed program or project is consistent with the merit principles of Section 2.

Such an amendment would insure the desired assistance for State and local personnel programs while protecting the initiative and freedom of those governments to determine for themselves the personnel programs best suited for the existing circumstances and conditions of their respective governments.

There has been a growing objection toward those provisions of grant programs for State and local governments which result in the accelerated centralization of authority in the Federal government and a growing dependence by State and local governments on that aid with its regulatory strings attached. In 1948 this type of Federal aid amounted to $1.6 billion and will probably amount to $17.4 billion in the current fiscal year. Today there are 379 programs with 197 having been enacted in the 1964–1966 period. Too frequently, the Federal government regulates the conditions under which these funds are spent.

The result has been an increasing concern that the rapidly growing number of grant programs has weakened the position of States and localities and has unbalanced the partnership of our Federal system and raised questions as to the future of the system. The partnership between the national and the other governments must be maintained by assuring that each may execute its rightful role in providing necessary services to its citizens.

I propose to offer amendments which would strengthen rather than weaken the Federal system by insuring the reservation of nontransferable funds for each State to improve its personnel administration when the governor certifies that a proposed plan meets principles of merit as outlined in this bill. It would place upon the individual governor the public responsibility and authority to certify the types of reforms and improvements they deem best suited to their respective areas. My amendments will move this legislation away from the direction of coercive efforts by Federal authorities to standardize and make uniform the various operating procedures and administration of personnel programs and will encourage local initiative and the development of new and original programs for improving and strengthening public service without the stultifying inhibitions of centralized bureaucratic control or the repressive directions of the Federal government.

KARL E. MUNDT.
CARL T. CURTIS.
CLIFFORD P. HANSEN.
HOWARD H. BAKER.
SAM J. ERVIN.

Mr. MUNDT. Mr. President, I share with the distinguished Senator from Maine [Mr. MUSKIE] and most of the other members of our committee—although the bill was not reported unanimously by the committee—the desire to do something under Federal encouragement and incentives and leadership to strengthen the sinews of State and local government, because I happen to believe that we should increasingly work in the direction of sharing the overall tax take of this country with the State and local governments and move in the direction of having them accept responsibility, which they do not now accept, for meeting some of the multitudinous problems that confront this country at every level. To do that the strengthening of State and local governments and the improvements of their efficiency is of course important.

In that regard most of us stand together in terms of supporting S. 699, provided it can be held to that mission.

The problems that concern me are the problems that I know concern a good many Senators because the issue here—primarily in the areas in which I find myself in disagreement with the Senator from Maine [Mr. MUSKIE]—relates to the question of how much power we want to repose in the Federal structure, in the Federal Government, to influence and direct decisions which are made within a State, and especially decisions such as these which affect only—I repeat, which affect only—the governmental structures within the State.

How far should the outstretched hand of authority from the Federal Government be permitted to go with taxpayers' money to tell people within a State: "This is the way we want it done"? Or, do we want to retain, as I want to retain, within the State some recognition of the rights of State and individuals and communities to follow the inclinations of their own noses and determine what kind of activities in the direction of strengthening the sinews of local government are the ones they feel are applicable and acceptable in the local areas?

In a nutshell that is the nubbin of our disagreement. How do we meet that question? Or, do we really want, as this bill proposes, to give to the Federal Government, its Civil Service Commission, the right to take money collected from the taxpayers generally and to use it in an effort to drive or push or shove them into things which they otherwise might not be willing to do?

I do not want to do that. So, while I want to vote for the pending legislation, I cannot vote for it if once again we pack into the Federal power structure the muscle and the might and the money with which to shove around local governors and local government.

I think we have gone too far already in the direction of pushing and persuading and punishing and penalizing governors and local governments which fail to comply with some concept created here in Washington.

We have seen what is being done now under terms of the Highway Beautification Act which should have been a good bill and could have been made a good bill except for an amendment which was added on the floor of the Senate to give for the first time an American history to an appointed Federal official, the Secretary of Commerce, the right, if you please, to veto an act of the legislature in any one or all of our 50 sovereign States.

We propose here to give another veto once again to a functionary in the Federal structure.

My amendments are proposed simply to set in motion some aspects of the bill which will protect this dignity, this importance, this rightful function of the governments of our States.

I believe in the 10th amendment to the Constitution. It is not as well publicized as is the fifth amendment. It is not alluded to as often. However, I believe in many ways that it is the keystone of our whole Bill of Rights because it said then—and it should mean now—that we who operate at the Federal level should exercise only those controls and powers over the States and over the people as the States and the people specifically delegate to us.

We are now asked not to accept some exercise of power which has been delegated to us by the State, but to impose upon the States restrictions and restraints and powers of decision which are made here in Washington. If we did that, and only that, it would still be bad as far as I am concerned, and the measure would lose my support. However, we go further. We take the taxpayers' money, and we say: "We will match to the extent of 75 percent those funds which you contribute to the extent of 25 percent, and you would not get the money unless you submit plans and proposals and suggestions acceptable to Mr. Big, the Federal Government in Washington. And you not only will not get the money, but you will have to pay your share of the taxes to the extent of paying to the other States who do knuckle under 75 percent of the total cost of the operation."

I submit that we have gone altogether too far down that sorry road in this country now, and we are chipping away at the sovereignty of the States, at the dignity of the States, at the jurisdictions of the Governors, at the jurisdiction of the local structures of government. And now we propose to lure them to knuckle under once again by telling them: "The only way you can get back your money is to take our advice."

There are Senators who think that we should have a unitary system of government instead of a republic, a democratic republic of 50 States, but as a believer in the 10th amendment, I have cast my last knowledgable vote in the direction of further stripping the great defenses of freedom, as I see them, which are incorporated in the 10th amendment. That is the issue.

Now, how do I propose to move in the direction that the Senator from Maine wants to move, without at the same time violating what I consider to be a very significant and uniquely American concept of divided authority and State responsibilities in this country? I propose to correct it in two ways.

The first part of my amendment is a simple change. It says that when we finally have negotiated around and worked out plans and programs and devices in order to upgrade the caliber and strengthen the sinews of local government, and it is decided whether or not the 75-percent Federal contribution is to be made, instead of the Civil Service Commission in Washington telling the State "Yes" or "No," it shall be certified in a public statement by the Governor, who will say: "In my opinion, we have conformed with the high principles and noble purposes of this act, and we want to apply for our portion of the funds."

It is not very complicated. It is very simple. Senators, in their good conscience, should be able to decide in whom they wish to repose confidence and whether or not they feel that the Governors should have at least that amount of authority within their own States, to determine what is being done, if you please, with their own structure of gov-

ernment and the structures of government in the local levels within the State—just within the State.

I do not know how you could go further in vitiating the 10th amendment and the rights of the States than to give some Federal authority the right to tell them what they have to do at their own local levels of government in order to populate their offices and regulate their services and train their officials and promote them in conformity with some Federal doctrine.

The second change I propose, Mr. President, deals with the same problem in the bill as presently written, except for two interesting but rather ineffective late additions which were made to the bill just before it was voted out of our committee. The bill gives the control of the distribution of the funds to the caprice or the good judgment or the evil purposes of the Federal officials administering the act.

I propose to put in a distribution formula. Senator MUSKIE, in anticipation that I might offer this amendment, has described that part of it correctly and points out that it is a population ratio of distribution. My amendment also says that those funds shall not be transferable, that each State is allocated its fair share. It can participate in the program after the certification of the Governor, or it cannot participate; but by not participating, it does not have to pay extra taxes for its neighbor or for some other State that reaches out for that 75-percent contribution. What each States does not use reverts to the Federal Treasury.

Senator MUSKIE and I have argued this at great length over many weeks in the subcommittee and in the committee. There is not much reason for us to argue it at great length in the Senate Chamber, when we have presently only a few more people to talk to than we had when we argued it in our own committee. Others may of course come to the Chamber later. We will now address our various advocacies, then, to the distinguished Senator from Florida, who sits here as a sort of impartial referee. He has not heard the debate before. He is listening carefully. Others have also been in on it.

In an effort to be conciliatory, I yielded a bit, because I was a supplicant for votes. After you have been around this town a while, you find out that when you are a supplicant for votes, you sometimes have to back down a little from your basic premise and the full impact of the principles to which you are dedicated.

I said, "All right, we won't insist on the distribution formula including all the money. We won't apply that to the total amount appropriated"—and it starts out with a pretty generous appropriation of $20 million and multiples itself in typical Federal form by a geometric progression year after year.

I said, "We would not take the entire amount of money and freeze it and say that every State is entitled to its exact per capita quota. We will say that 80 percent of the total amount appropriated shall be so included, on a nontransferable basis. Eighty percent of the total divided among the States, under population needs or any other specific and equitable criterion; it is not transferable. But under my amendment States declining the proposal do not have to pay taxes to the other people who decide to take it.

The other 20 percent the Civil Service Commission can use in order to browbeat Governors over the head and local communities over the head or to exercise a more appropriate influence. They can hold that great, big 20-percent carrot out in front of the State horse and the State house to try to pull it in its direction. They can take that 20 percent of the total and use it in order to persuade and to argue with local officials and the State Governor and say, "You ought to do it our way. Do it our way and you get 100 percent. If you don't do it our way, you get only 80 percent of the quota."

You have to buy that much authoritarianism, I suppose, to get the votes. I should like to see it 100 percent, but I backed down to 20 percent.

To meet this argument and to demonstrate the chairman believes my position and proposition has some validity, he reluctantly offered a couple of makeshift amendments moving in that direction. The first was to say, "We will take a little, puny amount of the total and allocate that to the States equally, so each will get a small percentage or a small amount." I have forgotten at the moment whether he says 60,000 per State or 15 percent per State; I believe it is 60,000. That much will be allocated to the States straight out, without any type of performance guarantee. It is a type of subsidy or grant to the States, I suppose. So you move in that direction a little, to help them exercise the ingenuity and the initiative that I believe States and local governments should exercise in trying to improve their processes of public administration.

Then, at the other end of the spectrum, the chairman says that no State can have over 12½ percent of the money that belongs to all the people—just 12½ percent. So no longer could it be argued that an overzealous administration, seeking to dominate the mores or the habits or the attitudes or the programs of a certain State, could offer the entire kaboodle to one. He says that no more than 12½ percent may go to any one State. So that means eight States could receive it all. If you find eight States that you want to get going under this act, you can give all the remaining funds to those eight, after taking off the reservation of the small percentage for every State.

Mr. President, those are the reasons why I oppose this bill as it is presently drawn, and why I urge my colleagues to make it a workable, cooperative partnership formula between the good purposes at the Federal level and the good purposes at the local level; because I deny and disavow the concept that the popularly elected Governors of the 50 sovereign States of the United States could not be trusted to have the good judgment and the sound ethics to survey carefully the certification they would be requested to sign. I do not believe they would stand before the public, trying to grab the money simply because it is available, and dishonesty to sign a certification that they are moving in the direction of strengthening for forces of government, providing local employees with more rewarding merit systems, more security in jobs, and better protection against political malevolence. I believe you can trust the Governors that far.

Mr. President, I do not want to see this large amount of money held out, with its sweet smell and seductive potentialities, to lure State Governors to do that which they know they should not do, and that is to further destroy the dignity and the authority of their office over the operations of things which are strictly intra-State and intimately related to the taxpayers and the people, as are those programs dealing with administration of their local functions.

Mr. President, I would hope my amendment might be unanimously agreed to, but if opposition arises, as I am afraid it will, I shall later ask for a rollcall vote.

Mr. MUSKIE. Mr. President, if this bill did what the distinguished Senator from South Dakota has said it would do, I would vote for his amendment and I would vote against the bill.

By the most accurate count I have been able to get, up to this point we have grant-in-aid programs which will disburse about $17 billion to the States and local governments this year. Not one of them gives to the Governors the authority which the Senator from South Dakota would give to the Governors with his amendment in this program; not one of them.

I shall describe the pending bill with respect to the rights of the States and the authority of the Governors, as I understand it from writing the bill and from interpreting it.

As approved by the subcommittee and the full committee, the bill gives a key role to the Governors and State agencies designated by them. Projects initiated under this bill would be administered at the State level by an office designated by the Governor.

The applications initiated at the local level or at the State level, depending on which of the two levels of government is involved, or any application from local government, must first be submitted to the Governor or to a State agency designated by the Governor for review. The comments and recommendations of the Governor or his agency shall accompany the application when it is submitted to the Federal Government. The Advisory Council created by the bill, which would make recommendations to the President and the Congress on matters of policy and standards, would be intergovernmental in character with a majority to be representative of State and local government.

Finally, Mr. President, it is directed that the act shall be administered in such manner as to encourage innovation and allow for diversity on the part of State and local governments in the design, execution, and management of their own system of personnel administration.

These and other provisions make it clear that the bill relies primarily on the States to develop and carry out programs with the Governors exercising a large responsibility not only for State projects but also those submitted by local government.

What is the heart of the difference between the bill as it is before us and the bill as the Senator from South Dakota would amend it? The Governors would have authority to initiate projects or approve projects initiated by others at the local and State level, whether or not the Mundt amendment is agreed to. The difference between the Senator from South Dakota and me is that he would, in effect, give to the Governors the right to write the checks on the Federal Treasury because he would give to the Governors not only authority to certify the projects, which the Governor has under the committee bill, but also the authority to decide whether or not the disbursements would be made by the Federal agency to that Governor so that the Governor would be not only the applicant but in effect the Federal executive who would approve his own application. That is what the Senator from South Dakota proposes.

This principle is not embodied in any other Federal grant-in-aid program. There are well over 200 of them involving some $17 billion of Federal money in this fiscal year according to the last count I had.

The Senator from South Dakota has asserted his great confidence in the Governors of the 50 States. At the same time he has indicated almost complete lack of confidence in the executive branch of the Federal Government which was created by the Constitution of the United States. The executive branch was created to administer the laws enacted by Congress.

The Senator's amendment would give the administration of this law, or at least 80 percent of the funds provided by this law, to the Governors of the 50 States. That is the principle which separates the Senator from South Dakota and me.

I can understand his motivation. His motivation is the same one which is behind this bill: the desire to strengthen State and local government.

Where did this bill come from, Mr. President? It came from the Subcommittee on Intergovernmental Relations following 3 years of study of the Federal system and especially of the problems of local government. It came from the ideas that were advanced to us by Governors, State personnel agencies, Federal officials dealing with State agencies, local governments and associations of State and local officials, to which I referred earlier, the Conference of Governors, the League of Cities, the Conference of Mayors, and the National League of Cities. These are people who generated ideas which the subcommittee then incorporated in the Intergovernmental Personnel Act which I introduced last year as S. 3408.

When I introduced that bill I had no concept of the great tide of interest in the legislation which would emerge immediately across the country. However, that is exactly what happened and so we held hearings last year in order to fully expose the bill and the ideas it incorporated. As a result of that very great interest which was generated two things happened. First, I reintroduced the bill this year, and, second, the administration introduced its bill, the Intergovernmental Manpower Act, based upon our hearings last year and based upon the great interest in the bill at the State and local levels.

All of this year that interest has been manifested and expressed wherever I have gone anywhere in the country to talk to State and local groups, Governors, mayors, county officials, and to State and local leaders. In every section of the country great interest has been shown in this legislation.

We undertook to move this legislation through committee with the help of the Senator from Tennessee [Mr. BAKER], who rendered extremely valuable assistance in perfecting the bill. In light of the testimony which we got in our hearings, we finally put together a bill which we thought was realistic, useful, and sound.

When we had made all these changes—and this took a matter of several months—the Senator from South Dakota [Mr. MUNDT] at that point offered his amendments. I think it is a matter of from 4 to 6 weeks since the Mundt amendments first saw the light of day. In that period, I have heard nothing but objections to the concept of the Mundt amendments from State and local officials.

S. 699 does not represent an attempt to create coercive Federal authority. Of course, the Federal Government retains the ultimate decision as to whether a Federal check should be made payable to a particular State. If that be coercive Federal authority—I have never heard that kind of authority described as coercive before—then we stand guilty. But the bill incorporates within its four corners less Federal authority than almost any other Federal grant-in-aid program I can think of.

What would be the reaction of the Senate if we were to bring to the floor of the Senate legislation in effect giving to every Governor the right to sign checks for highway money? Can we not trust the 50 Governors? Why should we leave the check writing and the check signing to Federal officials? Why not give it to the State Governors? We who are members of the Committee on Public Works and who have been Governors know that Federal authority over the highway program has grown in the last 10 years in part because of some abuses that have taken place in the administration of that program by some States. I do not think Congress is ready to abandon all control by the Federal executive authority, which is the intent of the Federal legislation. But that is the principle which the Mundt amendments urge.

The bill sets forth in its policy section, on pages 30 and 31, a list of merit principles. These merit principles are a substitute for the more rigorous and inflexible merit system concept which the original bill, S. 690, incorporated.

We made the change from that concept of the merit system to the approach to which I have referred, on pages 30 and 31 of the bill, in order to provide for flexibility in order to give greater recognition to variations among the States and among local governments, and in order to encourage development of innovation and diversity at the State and local level. So that all we have here is a list of principles with which no one interested in professional and qualified government could take issue.

For example, the first principle states: "recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment."

Is that an unsound principle, Mr. President?

The second principle states: "providing equitable and adequate compensation."

Is that not a sensible provision, Mr. President?

The third principle states: "training employees, as needed, to assure high-quality performance."

The fourth principle states: "retaining employees on the basis of the adequacy of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected."

The fifth principle states: "assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, sex, or religious creed and with proper regard for their privacy and constitutional rights as citizens; and"

The sixth principle states: "assuring that employees are protected against coersion for partisan political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office."

These principles, Mr. President, are guidelines which, if the legislation is adopted by Congress, would represent congressional intent with respect to the use of the funds authorized and, hopefully, later appropriated as congressional intent.

Now, shall the Civil Service Commission, which would be the administering agency under the bill, have any authority with respect to deciding whether such congressional intent is being met or not?

The Senator from South Dakota says it should not have any authority, that the Governors should have complete and final authority to decide whether that congressional intent so spelled out in the bill should be implemented in pursuing State and local projects financed by it. He has retreated from that principle by saying——

Mr. MUNDT. That was a compromise, not a retreat.

Mr. MUSKIE. Yes, it is not a retreat from principle. If he had his way, he would want 100 percent of the money.

Mr. MUNDT. Yes.

Mr. MUSKIE. To implement the congressional intent of spending, with the ultimate authority of the governors to decide whether they should receive the Federal money. That is a precedent which, Mr. President, I do not believe we are ready to accept in Congress.

The second most important thrust, I think, of the Mundt amendment has to do with the allocation of funds authorized among the States.

Frankly, this bill is a project bill. It would not authorize a program such as a highway program with continuing

support over the years at levels guaranteed to each State. It is a project bill. The purpose of the bill is to stimulate imaginative ideas in the States for improving their personnel systems or their management systems all across the country. Wherever and whenever, within the limits provided in the bill, such a project emerges, it should be encouraged and given Federal support.

The Federal Government would not tell a State what projects it should have. The projects must be initiated by the States. But it would be the purpose of the bill to encourage all worthwhile projects. To insure that that stimulus is spread nationwide as much as possible, we do provide a minimum in the bill which must be allocated to every State. Every State would get the same amount. The first year's authority would be $60,000 per State, which is more than a State would receive under the Mundt amendment and less than most States would receive under an assured allocation. But every State would be eligible to apply for additional Federal funds, if they generated the projects which merited Federal support.

I think that makes sense. If this were a highway program, we would have a formula allocating the funds to every State. If it were an aid to education bill, we would do the same thing. But, this is a project bill, designed to stimulate the generation of such projects.

I think that the Mundt amendment incorporates a principle we are not ready yet to buy. At some point, if we endorse the Federal tax-sharing concept as a substitute for categorical aids, we may do that; but I do not think we are ready to buy a tax-sharing concept. If we were to do so, and at such time as we do so, I am sure that we will write safeguards into it which will protect the Federal interest as well as the State interest.

Here, under the Mundt amendment, the Federal interest would be protected not by the Civil Service Commission or anyone else, but would be interpreted by the Governors of the States who are also, at one and the same time, the proposed beneficiaries of the program.

Mr. MUNDT. Mr. President, I can conclude my section of debate on this issue rather briefly, but we are presently confronted with a dilemma in the Senate because I want a rollcall vote on this issue. It is a tremendously important issue. While less than 20 persons have heard this debate, thus far, I hope that most Senators have diligently read the committee report and the minority views and have devoted time to it.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield for a question?

Mr. MUNDT. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. What amount of money is involved under the 75 percent program and then under the 80 percent program?

Mr. MUNDT. I believe it is $20 million the first year—the Senator from Maine will correct me, if I am wrong—$30 million for the second year, and $40 million for the third year.

Mr. LAUSCHE. Then the purpose of the proposal is for the Federal Government to provide moneys to State and local governments to develop better personnel?

Mr. MUNDT. That is right. The Federal Government would provide 75 percent, and it would be matched to the extent of 25 percent by the other instrumentalities of government.

Mr. LAUSCHE. Is there any such program in effect now under which the Federal Government is providing money for this purpose?

Mr. MUNDT. Not that I know of; certainly not as comprehensive a program. The closest I know of is what the FBI does, which is altogether more preferable, in my view, in which the FBI Academy opens its facilities to Cleveland or Sioux Falls, or other cities, in which the law enforcement officers of those cities can get training. That is a different formula, however, and I like it better than the Muskie formula.

Mr. MUSKIE. Mr. President, if the Senator will yield, that is a part of the Muskie formula—the part in which the Federal agencies would open up their programs to the States and local governments. The purpose is to expand it across the board.

Mr. LAUSCHE. This will expand the program which exists, at a cost of $20 million the first year, and $30 million the second year and then to $40 million?

Mr. MUNDT. It will go much further. It is entirely possible, as the Senator from Maine [Mr. MUSKIE] has said, that incorporated into the mechanisms that the Federal Government contrives to help States strengthen their local governmental structures, they could have facsimiles of the FBI Academy set up, and they could do exactly what the Senator has said. In addition to that, there are the allocations, because the bill provides that the States and local instrumentalities will set up programs of their own, and at their level, in order to get the 75–25 allocation. I would assume—and the Senator from Maine will correct me if I am wrong—that as far as the Washington-based training facilities are concerned, they would be financed entirely by the Federal Government.

Mr. LAUSCHE. The committee's bill states that the elevating of the efficiency of the personnel by these subdivisions—the State governments themselves and their subdivisions—shall be consistent with the merit principles set out in section 2.

Mr. MUNDT. Yes. The Senator from Maine [Mr. MUSKIE] read those awhile ago.

Mr. LAUSCHE. The proposal of the Senator from South Dakota is that, if the merit system as promoted by a State, in its own judgment, is deemed adequate, it shall be entitled to the aid whether or not it conforms to the Civil Service Commission principles as set forth in section 2 of the bill?

Mr. MUNDT. Yes. Although the same principles are involved, under my proposal the Governors would certify the programs they sought to be evolved would comply with the principles. Under the other formula, it says, "The Civil Service Commission will not leave the decision up to the Governor to determine whether he has complied with the principle and thrust and objectives set out by the Federal authorities."

Mr. LAUSCHE. Why are not the States by themselves able to develop programs that will improve the efficiency of their personnel? Why is it necessary for the Federal Government to feed in $40 million a year?

Mr. MUNDT. I do not think it is necessary to have that matching program. I do desire to have some incentive provided by the Government to quicken the pace. I agree entirely with the premise of what the Senator from Ohio has said. Why should the poorest relative finance the other relatives of our governmental structure? Our Federal Government is in terribly bad financial shape. This is a bad time to bring in a new spending program. But if it could be done, without using Federal money, to dominate and direct the program, but simply as a partnership program, I could go along with it.

Mr. LAUSCHE. In my opinion, the Federal Government ought not to begin spending money at this time, when there is such dire pressure upon the purse strings of the Federal Government. I do not favor either Senator MUSKIE's proposal or the proposal of the Senator from South Dakota. Let us stay out of it.

Mr. MUNDT. May I say to my good friend, before he stays out of it, that my amendment is from the standpoint of the financial structure. I would hope he would support it because it is more economical. This is not a substitute bill. I am simply changing the way the money is provided and utilized and it is a move toward economy.

Mr. LAUSCHE. Mr. President, inasmuch as the Mundt amendment will be less costly and less offensive to the rights of local governments determining for themselves what they should or should not do, I shall support the Mundt amendment, but finally vote against the bill regardless of what happens to the Mundt amendment.

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

Mr. MUNDT. I yield.

Mr. COTTON. I have been reading the committee report and the bill. Would it be very far from the fact to characterize this bill as a program to teach State and county and municipal officials how to spend Federal money?

Mr. MUNDT. According to the gospel as written in the first chapter of Uncle Sam's bible, I suppose that would be right.

Mr. COTTON. I thank the Senator.

Mr. MUSKIE. Mr. President, will the Senator yield a moment?

Mr. MUNDT. I yield.

Mr. MUSKIE. Since the question put by the Senator from New Hampshire also goes to the intent of those who sponsored and wrote this bill, may I, for myself, say this is not the intent. The intent is to help the States and local governments to achieve a higher level of competence to do their own job.

Let me read something that was said by the Municipal Manpower Commission in 1962:

The quality of APT (administrative, professional, technical) personnel in local gov-

ernments today, by and large, is inadequate to cope with present and especially emerging metropolitan problems * * * The local governments have not attracted at the entry level, a fair share of the ablest young people equipped with intelligence and training to rise to APT positions.

Here is another comment from the Municipal Manpower Commission:

In a significant number of instances, local governments are living on the "fat" of the manpower they were able to recruit during the depression thirties * * * The retirement of a large proportion of all department and division heads in the next decade must be expected.

May I put this statistic before the distinguished Senator from New Hampshire? The total local and State personnel in 1946 was 2.3 million. By 1965 that figure had risen to about 8 million. This rise in the number of State and local personnel has created staggering problems—manpower recruitment, training, and competence.

I cannot speak for the other 49 States as well as I can for my own in this respect, first as a Governor and now as a citizen, as I have watched State legislatures struggle with the manpower problem. I know the Senator from New Hampshire and the Senator from South Dakota are concerned with the integrity of government at the State and local levels in this country, and I am concerned. Everyone who is knowledgeable in this field, who has studied the problem, will tell the Senators, as they have told our subcommittee over a period of 4 years, that one of the critical problems, the solution of which will be vital to the integrity of government at the State and local levels, is the manpower problem.

The devices used in this bill are devices which were recommended not initially by the Senator from Maine, who is no expert in this field; not by any member of the subcommittee—and I do not know of any one of them who is an expert in this field—but by practicing and academic experts from coast to coast who have addressed themselves to the question of manpower in local governments.

I consider this bill vital. It will not completely solve the problem, by any means, but it offers two methods of help which I think can be invaluable.

I realize this is not the time nor the year to offer new grant-in-aid programs. As a matter of fact, coming from Maine, I even have some reservations myself about this sort of thing. But the matter has generated much interest. It is not one of the spectacular issues; we have not seen it in the headlines; it has not been controversial in the sense that it has emerged in the political columns. But one who has traveled throughout the country, as I have by virtue of my chairmanship of the Subcommittee on Intergovernmental Relations, and talked to the people concerned, knows how deeply they are worried about these problems.

It will not have a major impact on my career, whether Congress enacts this bill into law. There are other things with which I am associated which have greater public visibility, and for which it is easier to obtain Senate support, including the $6 billion water pollution program, or the several-hundred-million-dollar air pollution programs. But the point is that those programs, which are based upon responsibility being placed first at the State and local levels, will not work unless they have the manpower to do the job.

I remember, in the case of the water pollution bill last year, the distinguished Senator from Kentucky [Mr. COOPER] rising to make the point: How are we going to administer this water pollution program without trained people? On program after program which has come to this floor, I have heard that same point made: How are the States to administer the program without the people?

Seventy percent of the money that is disbursed by the Federal Government in domestic social programs is disbursed through State and local governments, under guidelines provided by Congress. It has to be disbursed by people. As I said a few moments ago, the number of employees involved, at those two levels of government, has risen from 2.3 million in 1946 to 8 million today, and it will rise to 12.5 million by 1970 or 1972. Those people must come from somewhere; and those governments must compete with the private sector for the available people. So many of the people that the State governments get are not experienced, because the State salaries are not sufficient to compete with private industry and the Federal Government. I remember, when I was Governor, we had to take a lot of people on who were not trained at all. And we did not have adequate training programs to train them. It is a terrible problem. I came to appreciate it as Governor.

I do not think Maine is so much different from other States. In fact, everyone I talked to, from coast to coast today, tells me it is a terrible problem. That is why I am here with this bill, when, frankly, it would be easier to concern myself with something else.

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

Mr. MUSKIE. I yield.

Mr. COTTON. Mr. President, will a portion of the funds expended under this bill be used to augment salaries of State employees?

Mr. MUSKIE. No; this is a training program.

Mr. COTTON. So this bill would not in any way alleviate the difficulty the States experience in obtaining adequate people because of the scale of their salaries?

Mr. MUSKIE. No. To the extent that salary is part of the problem, this bill does not touch it.

Mr. COTTON. I say to my distinguished friend from Maine that if my remark, or the question that I asked the Senator from South Dakota, sounded ironical or sarcastic, to him, I did not mean it in that way.

Mr. MUSKIE. I would not so interpret anything the Senator from New Hampshire said, except in the privacy of the cloakroom.

Mr. COTTON. I do say, however, that the Senator from Maine speaks very persuasively in behalf of this measure. He is dedicated in these matters, and I have great respect for his judgment.

I think the Senator from Maine, however, by a strange contradiction, is a living, walking answer to his own argument. He has served as Governor of Maine. I know something of his record as Governor of Maine. I am not just being courteous or polishing the apple when I say that people of all parties recognized that he was one of the ablest of Maine's Governors.

We have an able Governor in my own State of New Hampshire. Even though he is not of my political faith. I think that he is competent to face the problems of developing skillful administrators, as was my friend from Maine when he was Governor of his State.

I believe there is merit in the bill. But I think that, in this particular year, with the problems we are up against, for us to start a new program of teaching State and city officials how to spend Federal money is perhaps a supreme act of carelessness—I shall not say callousness. It is an act which exemplifies the Federal Government's apparent viewpoint at this time.

I wonder if we all are afflicted with Potomac fever? It seems to me that if there is one disease, more than any other, that has crept into the Federal Government, it is the idea that we cannot trust, that we cannot have confidence in, the Governors and legislators of our several States, and that all wisdom emanates from the banks of the Potomac here in Washington.

I could not possibly vote for this bill at this time, and I say that with no disrespect for the very able arguments presented by my friend, the Senator from Maine.

Mr. MUSKIE. I thank the distinguished Senator from New Hampshire. I assure him that I did not so interpret his argument; I merely saw an opportunity to make a point, and I can never let such an opportunity pass.

Let me make this one further point: Far from representing the concept that all wisdom rises from the banks of the Potomac, all of the ideas in this legislation came from the grassroots, and not from the banks of the Potomac. This bill was developed, as I stated earlier, by the subcommittee, out of ideas which came to it from the grassroots.

Indeed, those ideas were so persuasive that finally the administration itself introduced the Intergovernmental Manpower Act this year, based upon the same idea. I can understand the argument that there should not be any more grant-in-aid programs; but that is for Congress to decide. However, I can say that this concept has been stressed as an extremely important one, and the outcome will be the judgment of the Senate at the end of the debate.

Mr. MANSFIELD. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

UNANIMOUS-CONSENT AGREEMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the vote on the pending amendments take place at 5 minutes after 4.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask

unanimous consent that on the amendment to follow the pending amendments, the vote take place at 5 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MUNDT. Mr. President, the bill has a fundamental fallacy which has been alluded to in the colloquy between the Senator from New Hampshire [Mr. COTTON] and the Senator from Maine [Mr. MUSKIE]. It is built on the false premise that the Federal Government structure is a paragon of perfection. It is not. A pretty good case could be built to have Governors and mayors suggest to the Federal Government how it could improve its governmental structure. I am far from convinced that all the wisdom about government is located in Washington. There have been malfunctions here; there have been malfeasance, waste, and inefficiency here.

I am not at all sure, as I listen to the comments from across the country, that this is not a case of the halt leading the blind. So I do not feel that the premise is sound to begin with.

I wish to answer briefly the arguments and suggestions recently presented by the distinguished Senator from Maine. He said that not a single Federal grant-in-aid bill moves in the direction suggested by the Mundt amendment. The answer to that statement is quick and clear: There is not a single other grant-in-aid bill, as has just been established on the floor of the Senate, which gets into the intimate structure of the selection of personnel and the operation of State and local governments. This is the first time the Federal Government has ever threatened to go so far as to tell State governments whom it wants to serve, and how they shall be selected and promoted; otherwise the Federal Government can veto the plan and say, "You people pay your taxes to support this program, but you will get nothing back."

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MUNDT. Please let me finish. I am trying to conclude by 4 o'clock, because I promised to yield the last 5 minutes to the Senator from Tennessee [Mr. BAKER] under the agreement to limit time.

The second point the Senator from Maine made was that Governors shall have the power to state whether the Federal Government shall make the payout of the 80 percent, while having complete control over the other 20 percent.

I propose that we would set up the rules and regulations, and then the Federal Government would make the payments in the form of certifications by the Governors that these principles had been complied with, and they would do so openly, publicly, and with no chance of subterfuge.

The Senator from Maine makes much of principles. He says the principles will be guidelines. They are, but they are not self-administrative. They will work exactly like the rules in a baseball game. The rules of the game are known by the players, but the decisions made by the umpire are what count. And the umpire here is a Federal official, dominating and—if he wants to do so—domineering the local governments and the State Governors.

It is the umpire that counts, because somebody must interpret the rules and somebody must interpret the regulations.

I am glad that the Senator from Maine made reference to the Federal highway program. The Mundt amendment proposes to bring into play in this legislation the concept of the Federal highway program, the broad guidelines provided at the Federal level by the local State highway departments, to determine whether to detour the town or whether to split a city or a community or whether to locate a project in that area.

Time after time after time local communities come to us with suggestions about what should be done. The matter is referred back to the State highway department.

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

Mr. MUNDT. I yield.

Mr. MUSKIE. I can recall a very celebrated highway case when I was Governor. The local community, the highway commissioner, and the Governor all wanted a certain location for that highway. However, our recommendation was vetoed by the Federal Highway Administrator.

Mr. MUNDT. I appreciate the Senator's anticipating my remarks. I was going to say that despite that precedent, there are times when the desire to coerce by the Federal Government overrides these people. However, the working formula and the accepted standard operates in the other direction. The power and the position that the Federal Government likes to exercise still sometimes reflects itself.

I do want to help strengthen the sinews of local government, but I do not want to build up another power structure now with the people's money, a power structure that can be used to bribe them to do things they do not want to do, especially with respect to these intimate details concerning projects which the local government or the Governor want. I think it preferable to have in the 50 States different people experiment and exercise initiative on how best to run governments.

I certainly cannot "buy" the major premise that the Federal Government is perfect. And I cannot "buy" the idea that the Federal Government is so wise and so pure and so good that it should have a right to tell a Governor, "You don't know what you want to have in your State; and to get the Federal money you have to yield, you have to knuckle under."

There are, of course, some Governors who give support to this, but the Senator from Maine did not dwell on the fact that the Governors who support that concept also support the concept that the major decision should be made at the local level.

If we hold up $20 million before a State Governor or local official, we know that it takes a man with a stern capacity of self-denial to say: "I do not want any of it. I do not want to participate."

I am going to offer a sequel to the pending amendment—and it will be voted on at 5 o'clock—to provide that the sharing will be at the rate of 50–50, and not 75 percent and 25 percent.

If this is a program the Governors really want, they should be willing to share the cost. The Senator from Ohio brought out that the States and local communities, if they feel a need for this, should be willing to finance it themselves.

When will we stop this kind of grant program, no matter how good it is?

The senior Senator from Florida said the other afternoon that he is spending half his time figuring out how to save some money. He and I have been meeting with conferees from the Appropriations Committee of the House of Representatives, and I have been spending a like amount of my time in the same effort.

It is kind of disillusioning to spend half of one's time figuring how to save money when we are asked to spend more money in a proportion of 75 percent to 25 percent and putting it out with an attractive label, so that those who want it can get $3 for every $1 they spend, provided they yield to the coercion of the Federal Government.

Mr. President, I promised that I would yield some time, before we conclude, to the distinguished junior Senator from Tennessee. So, I subside, urging the Senate in the rollcall vote to vote for the preservation of the 10th amendment to the Constitution by voting for my amendment.

Let us not stab it in the back with the taxpayers' money.

Mr. President, I yield to the distinguished junior Senator from Tennessee.

Mr. BAKER. Mr. President, I have no desire to prolong the debate.

My colleagues. the junior Senator from Maine [Mr. MUSKIE] and the senior Senator from South Dakota [Mr. MUNDT], respectively the subcommittee chairman and ranking member of the committee, have made most eloquent presentations.

But I have devoted a good deal of effort to the final draft of S. 699 and have participated in the subcommittee in support of the amendments submitted by the Senator from South Dakota.

I sense that there is something very basic and very vital in the future of federalism implicit in this debate, and this bill really, notwithstanding the enormous consequences of any demand on the Federal treasury, merits our attention with respect to the question of whether we are not in fact forging something of a new direction and a new effort toward upgrading, modernizing, and promoting a heightened and more efficient "partnership concept" of Government.

I am convinced that the question of vitality and efficiency of local governing units—whether at the city, county, or State level—is of the very essence in the consideration of whether we continue in the present mold of program after program after program of categorical grant-in-aid type, which now totals $17 billion a year, as has been pointed out by the distinguished Senator from Maine, or whether we do something to reestablish an effective partnership of governing units, not the domination of Central Government, but as a partnership effort with this coordinate level of government.

I myself feel that in this field the next big decision we have to make is whether to launch into a program of Federal revenue sharing, the returning of a fractional share of the Federal tax dollar directly to the local units of government so that they can undertake a strengthening of effective local self-government without strings attached.

I happen to feel that the old axiom with respect to the taxing power of the Government is just as true today as it ever was and that the Central Government, the National Government, has most of the taxing power.

Federal revenue sharing has a similar, corollary proposal that is discussed from time to time in committee and on the floor, which is that we consider the prospect of block grants, grants to cities, counties, and States, essentially without strings attached, for a given general purpose, but without explicit direction from the bureaucracy in Washington.

I happen to feel that either Federal revenue sharing or block grants or a mix of the two are essential if we are to turn around this tendency toward an ever-increasing centralization of Federal Government power in Washington.

I know that from time to time the most persistent argument against Federal revenue-sharing or against block grants has been that the State governments, the county governments, and the city governments are so debilitated that these lesser units of government, if you please, are so little used to the matter of extensive government that they could not possibly handle a new inflow, a fresh infusion, of governing authority in terms of money that Federal revenue-sharing or block grants would entail.

For this reason, if for no other, I believe that something akin to S. 699 and the amendments offered by Senator MUNDT are essential if we are going to take this next step toward a pragmatic decentralism, toward the idea that we must rebalance and reestablish the equilibrium between the Central Government and the other units of government which make up this partnership concept with which the Republic flourished for so many years.

Mr. President, according to this rationale, if we are to prepare for this next progressive, forward-looking, different step—that is, the initiation of Federal revenue-sharing or block grants—if we are to reverse this trend toward centralism, to reverse this growing concentration of all effective governing authority in Washington, we must do something and do it now to upgrade governmental skills at the local level. We must do something now, even though it is a small step, to assure that when the time comes to bring about the infusion of this new vitality of Federal revenue-sharing or block grants, or their equivalent, the personnel, the structures of government, and the administrative techniques are available at State and local levels, so that this step in a new direction will not be in vain.

I share with Senator MUNDT and with Senator MUSKIE some of the ambivalence of feeling they have about the means for accomplishing this upgrading of job skills at the local levels of government, but I am far more concerned about this bill as a first step in the vital matter of reversing the process of galloping centralism.

I believe, therefore, that the question is whether we will content ourselves with the present print of S. 699 and embark on a program of trying to use Federal money in the traditional, categorical grant-in-aid technique to upgrade job skills at the local level, or whether we take the more far-reaching step—in my judgment, the newer and more innovative step—offered by Senator MUNDT. Mr. President, we must take this new step.

I believe that Senator MUNDT's proposal—in effect—amounts to a system of block grants. I believe that it is more far reaching and more forward looking than any other concept that might be engaged in at this time.

In the few seconds remaining to me, Mr. President, I urge that in consideration of this matter we not lose sight of the fact that if we are to reverse this continuing trend toward centralism, if we are to revitalize the forces of local government, we must take the first step now in providing for the orderly, nonregimented training and upgrading of administrative skills at the local county, city, and State levels.

Therefore, Mr. President, I have signed the minority views of Senator MUNDT. I shall support his amendments. I strongly support the concept and its necessity at this time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the quorum call terminate 5 mintes after the hour.

Mr. HOLLAND. Mr. President, I should like to be heard briefly on this matter.

Mr. MANSFIELD. Mr. President, I withdraw my request.

We have a unanimous-consent agreement.

Mr. HOLLAND. I shall be very brief, in view of the request of the majority leader.

I am concerned to note on page 125 of the record of the hearings in this matter that the witness testifying, Mr. Charles A. Byrley, Director of the Office of Federal-State Relations, National Governors' Conference, stated:

> My remarks today do not necessarily reflect the viewpoints of the State Governors, but rather of staff analysis of the general provisions of the proposals . . .

Then he continues:

> The reason for this is that the Washington office of the National Governors' Conference was only recently established. Time has not permitted individual discussions with the Nation's Governors.

Then I note that on page 126 he said, in his statement:

> Let us express general concern regarding three major issues: (1) the role of the Governor.

That is the first matter about which he expressed concern.

A little later he said:

> Executive management at the State level, including coordination of Federal assistance programs, is clearly the responsibility of the Governor.

The PRESIDING OFFICER (Mr. SPONG in the chair). The time for debate on this amendment has expired.

Mr. HOLLAND. I ask unanimous consent that I may proceed for 3 additional minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have 2 additional minutes.

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

Mr. HOLLAND. Mr. President, we do not have time to digest these matters. This bill was called up suddenly. The Senator from Florida has been intensely busy on appropriations conferences and other matters of that type. But I note some expressions by Governors later at this hearing which make it clear that they have reservations.

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

Mr. HOLLAND. I yield.

Mr. MUSKIE. May I say to the Senator that the point in the bill to which the Governors had reservations has been eliminated from the bill and is not in the bill as it is before the Senate.

Mr. HOLLAND. I have read the bill hurriedly and find no clear recognition of the fact that the Governors ought to be responsible for the carrying out of the provisions of this bill within their States.

I note this statement in the letter of Gov. Otto Kerner, of Illinois, appearing on page 264 of the record:

> I have reservations concerning the question of undue federal control of state and local governments. My comments are similar to those I have made with respect to the Intergovernmental Personnel Act.

That is the bill before the Senate at this time. There is also another letter.

On page 275 of the record appears a letter from Gov. William L. Guy, of North Dakota, stating the same impression:

> Even though the North Dakota Merit System Council is governed by members who have all been appointed by me, I would still prefer to see your measure provide for a designation of the administering agency by the various Governors.

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

Mr. HOLLAND. I should like to read another portion of the letter.

The trouble is that these matters are sprung on us when we have been working on vital appropriation matters and other matters. This is a record of over 300 pages on points that are of vital concern to the various States.

I will read the other portion of Governor Guy's letter:

> I would also like to invite your attention to another consideration—that of enhancing the role of the state's chief executive as the chief executive. If the States are going to assume the responsibilities that they are presently neglecting, it is imperative that the position of the chief executive is given the authority and latitude necessary to permit leadership.

Those matters are red flags. I do not know what has been met and what has not, but I gather from the amendment of the Senator from South Dakota that he is trying to make it clearer that the Governors have a fixed responsibility to

lead in connection with the application of this act to their several States.

I am glad to yield to the distinguished Senator from Maine.

Mr. MUNDT. Mr. President, reserving the right to object, if we are going to parcel out more time, I ask that whatever time is yielded to Senator MUSKIE may be compensated by an equal amount of time allocated to the Senator from South Dakota. I am willing to conclude the discussion at this time, but if the Senator from Maine is permitted to continue, I should like an equal amount of time.

Mr. MUSKIE. I believe the Senator from South Dakota makes a valid point. I only desire a minute to respond to the Senator from Florida, who has been here this afternoon and has heard me make these points before.

He has just raised the point, in reading the letter from the Governor, that the Governor was concerned that in the bill, as it was then written, there is no provision for the Governor to designate the State agency.

I indicated earlier that that agency is, under the bill as written, to be designated by the Governor; the projects would be administered by that office designated by the Governor; any application of the local agency must be submitted by the Governor; and that comments and recommendations of the Governor shall accompany the application. All of these points are contained in the bill and the Governors are now satisfied.

Mr. HOLLAND. I am glad to hear that is the case. I am sorry we were not given that assurance by the report or the printed hearings.

Mr. MUNDT. Mr. President, there is still valid reason for incorporating the provisions of the Mundt amendment which guarantees to the Governors the rights and authorities they have repeatedly said they would like to have because it provides that the ultimate decision is to be made by them instead of authorities in Washington.

The argument of the Senator from Maine breaks down with respect to who is to determine where you get the money. The principles are fine, but the Governors are concerned about whether or not they are going to be represented by their authority in the important decision place and that is where the program is to be financed. Therefore, the objections of the Governors have not been met and will not be until the Mundt amendment is agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from North Carolina [Mr. JORDAN], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wisconsin [Mr. NELSON], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wisconsin [Mr. NELSON], and the Senator from Nevada [Mr. CANNON] would vote "nay."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from North Carolina would vote "yea" and the Senator from New Jersey would vote "nay."

Mr. HICKENLOOPER. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Oregon [Mr. HATFIELD], the Senator from New York [Mr. JAVITS], the Senators from California [Mr. KUCHEL and Mr. MURPHY] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], the Senator from Oregon [Mr. HATFIELD], the Senators from California [Mr. KUCHEL and Mr. MURPHY] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

So the result was announced—yeas 43, nays 39, as follows:

[No. 309 Leg.]

YEAS—43

Aiken	Hansen	Prouty
Baker	Hickenlooper	Russell
Bennett	Hill	Smathers
Boggs	Holland	Smith
Byrd, Va.	Hollings	Sparkman
Byrd, W. Va.	Hruska	Spong
Carlson	Jordan, Idaho	Stennis
Cotton	Lausche	Symington
Curtis	Long, La.	Talmadge
Dominick	McClellan	Thurmond
Ellender	Miller	Tower
Ervin	Morton	Williams, Del.
Fannin	Mundt	Young, N. Dak.
Fong	Pearson	
Griffin	Percy	

NAYS—39

Bartlett	Hartke	Monroney
Bayh	Hayden	Montoya
Bible	Inouye	Morse
Brewster	Jackson	Moss
Brooke	Kennedy, N.Y.	Muskie
Burdick	Long, Mo.	Pastore
Case	Mansfield	Pell
Church	McCarthy	Proxmire
Fulbright	McGee	Randolph
Gore	McGovern	Ribicoff
Gruening	McIntyre	Tydings
Harris	Metcalf	Yarborough
Hart	Mondale	Young, Ohio

NOT VOTING—18

Allott	Dodd	Kuchel
Anderson	Eastland	Magnuson
Cannon	Hatfield	Murphy
Clark	Javits	Nelson
Cooper	Jordan, N.C.	Scott
Dirksen	Kennedy, Mass.	Williams, N.J.

So Mr. MUNDT's amendment was agreed to.

Mr. MUNDT. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WILLIAMS of Delaware. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CURTIS obtained the floor.

The PRESIDING OFFICER. The Senate will please be in order. The Senator from Nebraska has the floor. The Senate will please be in order.

The Senator from Nebraska.

Mr. MANSFIELD. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. In view of the fact that we are operating on limited time, I ask unanimous consent that the time be equally divided between the Senator from South Dakota [Mr. MUNDT] and the Senator from Maine [Mr. MUSKIE].

Mr. CURTIS. I ask for only 2 minutes, Mr. President.

Mr. MUNDT. Mr. President, let me offer my amendment first so that all Senators will know what it is all about.

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 35, line 17, strike out "75" and insert in lieu thereof "50".

On page 38, line 24, strike out "75" and insert in lieu thereof "50".

On page 50, line 12, strike out "75" and insert in lieu thereof "50".

On page 54, line 8, strike out "75" and insert in lieu thereof "50".

Mr. MANSFIELD. If the Senator from South Dakota would further yield, I should like to modify my request and ask that there be a time allocation of 12 minutes, with 2 minutes to go to the distinguished Senator from Nebraska [Mr. CURTIS], the remaining 10 minutes to be equally divided between the Senator from South Dakota [Mr. MUNDT] and the Senator from Maine [Mr. MUSKIE].

Mr. MUNDT. That will be perfectly all right.

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

Mr. CURTIS. I thank the majority leader.

Mr. President, I rise merely to state my position on the proposed legislation. I have supported the amendment offered by the distinguished Senator from South Dakota [Mr. MUNDT] and I shall support his other amendments. However, I shall not vote for the bill.

I do not argue that it does not have some merit and some need, but it is the beginning of a new Federal program. It is the beginning of another grant-in-aid program. It is another attempt to impose the will of the Federal Government on State and local governments.

So far as I know, it is not being requested by a very large segment of the people. Regardless of the merits of the proposal, I submit that we are now at war, that we are facing a deficit that may run to $30 billion, and that there is no crying need to begin another Federal program.

I hope that there will be many other Senators who will vote against the proposal. I say this recognizing that many of those interested in this legislation have spent a great deal of time and effort on it. However, I do not believe that we should start another program.

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

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. MUNDT. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, this amendment is clear cut. It should not require 5 minutes to explain it. The formula in the bill provides that the matching funds between the Federal Government and the States be 75 percent from the Federal Government and 25 percent from the State and local governments. I feel that since this is a program which benefits entirely the local governments, it is only fitting and proper that there be a 50–50 matching arrangement; that they at least be interested enough in the program to match it halfway, on a partnership basis. This simply removes from the bill the temptation for a State or local government to go after a program because it is "easy money." We now have provided that the money reverts back to the Treasury—it is not transferable—if the States do not wish to participate. I do not want to subject the local governments and States to the temptation of saying, "Well, let us get into it or we will not get the easy money." This provides for a 50–50 matching for programs in which the States and local communities will receive benefits.

Mr. MUSKIE. Mr. President, I yield myself 3 or 4 minutes.

Frankly, the bill in its present form is not worth much additional consideration. The bill as it now stands gives the checkwriting authority—I repeat, the checkwriting authority—to the Governors of States. They will certify the applications from their States, and then they will decide whether or not the applications will be approved and whether or not the Federal check will issue.

Frankly, I think if the bill gets to the President in this form, it will be vetoed. I do not know this from any discussion I have had with him, but if I were President, I would veto it; and I would be surprised if the President did not veto it.

Nevertheless, I think there are provisions in the bill worth fighting for, worth sending to the other body, so it can take a look at the principle that we have written into the bill.

On the question of 50–50 sharing, frankly I am surprised. The sponsors and endorsers of the Mundt amendment urged the Mundt amendment in the name of the tax-sharing proposal. The tax-sharing proposal would give 100 percent Federal Government money to the States without strings attached. Having incorporated the tax-sharing idea of the bill, the Senator now proposes to cut back the Federal share to 50 percent. The two ideas are not consistent if I understand the purposes of tax sharing.

The purpose of the 75–25 formula is to provide a Federal stimulus to State action in a field which the States have neglected. If Senators do not believe the States have neglected it, I ask them only to read the two volumes of testimony, representing hearings last year and this year.

The great problem in local and State government is the failure of the States to develop competent, professional manpower. The States tell us so. The local governments tell us so. State and local personnel have increased from 2.3 million in 1946 to 8 million in 1965. They have not met the problem of competency in manpower. We are trying to stimulate State and local action in that field.

What we have done already gives the bill a body blow with respect to its objectives. If we now cut back the Federal share to 50 percent, we will give it another body blow. If that is the will of the Senate, I will accept it.

We are trying to respond to what we have heard for 3 years from States, from local governments, from political science experts, from academicians. I say to all of you who have voted for the Mundt amendment, if you want strong State and local governments, what has been done already sets back the cause in terms of what are the objectives of this bill. That is the effect of this amendment.

I can only be frank. I am speaking on the basis of 3 years of experience in listening, alone much of the time, to what State and local government experts have told me about the weaknesses of the State and local governments. I brought this bill up at a time when I realized it was a bad time to bring up a new grant-in-aid program, because I am concerned, as one who served in local government, as one who served in State government, as one who watches the operations of States and local governments from Washington. I am concerned that they be viable, vital, dynamic, and progressive; and the great crisis is manpower.

I oppose this amendment, as I did the other.

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

Mr. MUSKIE. I yield.

Mr. PASTORE. I voted against the Mundt amendment. If it is true that the Mundt amendment has emasculated the intent and philosophy of the bill as it originally came to us, and we have left this responsibility to the States, then why would it not be better to have the States participate in the way of providing money? We would be going far afield.

I would be opposed to this amendment if the first amendment had not carried, but now, when we have changed the entire philosophy of the bill and given the reins to the governors, why not let the governors come into this program with 50 percent of their money and assume their full responsibility?

The PRESIDING OFFICER. The Senator from Maine has 1 minute remaining.

Mr. MUSKIE. Mr. President, in reply, there is another body to consider this bill. I would be willing to bet that when the other body gets it, they will hear from the League of Cities, the Conference of Mayors, the National Association of Counties, and I would like to have that case made on the House side. I would like to leave this bill as it is so we can have as good a bill for House consideration as we can.

Again, I accept the Senate's judgment.

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

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. MUNDT. Mr. President, let us get away from the field of prophecy, because none of us has any great expertise in crystal-gazing. The Senator from Maine says the President will veto the bill. I do not know. He says he believes the House is going to change the amendment we have just adopted. I do not know what it will do. I do know however, what confronts us now. Let us accept the battle cry of the Senator from Maine. He says "We have given the checkwriting power to the States." If we have, we had better get them to pay 50 percent of the cost. We had better not say that they will have to pay only 25 percent and the Federal Government will have to pay 75 percent.

I agree with the Senator from Rhode Island. The States certainly should pay 50 percent since they now share the responsibility for the programs.

The other argument was a strange one, when the Senator says I had offered a tax-sharing proposal. The Senator from Maine says that under that tax-sharing, we return 100 percent to the States. I have never heard of such an idea. I have never seen a plan that says that the Federal Government will collect the taxes and give them all back to the States. This is a new concept of tax sharing which I here and now totally and emphatically disavow.

There is a far different tax-sharing proposal which makes sense, but we have before us, not a theoretical problem, but a practical decision to make. Should we ask the States to pay 50 percent for these programs which they certify and which are going to be in their interest, or are we going to continue to have Uncle Sam pour it out and on—the poorest governmental relative of them all? Why call on poor Uncle Sam to pour out 75 percent when the States can participate on a 50–50 sharing basis, which makes sense for this field of activity?

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

Mr. MUNDT. I yield.

Mr. HANSEN. Mr. President, I had the experience, just before January of this year, of having sat in the office of the Chief Executive of the State of Wyoming, and I think I know a little bit about how the States react to this sort of program.

My feeling is that the bigger the percentage of the Federal Government's handout, the greater will be the pressures at the State and local level to get in and participate in a Federal program, whether it is good, bad, or indifferent.

I support the amendment, because it makes good sense to me. If the States believe this program will be helpful, let them demonstrate that conviction and willingness by participating dollar for

dollar in what they are asking the Federal Government to do.

I have certain reservations as to how I shall vote on the bill, because with 379 programs already in existence, requiring the spending of $17,400 million, I am not sure we can stand another one.

The PRESIDING OFFICER. The Senator's time has expired.

All time having expired, the question is on agreeing to the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from North Carolina [Mr. JORDAN], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wisconsin [Mr. NELSON], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Nevada [Mr. CANNON] would each vote "nay."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from New Jersey would vote "nay."

Mr. HICKENLOOPER. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Oregon [Mr. HATFIELD], the Senator from New York [Mr. JAVITS], the Senators from California [Mr. KUCHEL and Mr. MURPHY] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mr. HATFIELD]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Illinois would vote "yea" and the Senator from California would vote "nay."

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from California would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 50, nays 30, as follows:

[No. 310 Leg.]

YEAS—50

Aiken	Hickenlooper	Percy
Baker	Hill	Prouty
Bennett	Holland	Proxmire
Boggs	Hollings	Randolph
Byrd, Va.	Hruska	Russell
Byrd, W. Va.	Jackson	Smathers
Carlson	Jordan, Idaho	Smith
Cotton	Lausche	Sparkman
Curtis	McClellan	Spong
Dominick	McGovern	Stennis
Ellender	Miller	Symington
Ervin	Monroney	Talmadge
Fannin	Morton	Thurmond
Fong	Mundt	Tower
Fulbright	Pastore	Williams, Del.
Griffin	Pearson	Young, N. Dak.
Hansen	Pell	

NAYS—30

Bartlett	Hart	Metcalf
Bayh	Hartke	Mondale
Bible	Hayden	Montoya
Brewster	Inouye	Morse
Brooke	Kennedy, N.Y.	Moss
Burdick	Long, Mo.	Muskie
Case	Long, La.	Ribicoff
Church	Mansfield	Tydings
Gore	McGee	Yarborough
Harris	McIntyre	Young, Ohio

NOT VOTING—20

Allott	Eastland	Magnuson
Anderson	Gruening	McCarthy
Cannon	Hatfield	Murphy
Clark	Javits	Nelson
Cooper	Jordan, N.C.	Scott
Dirksen	Kennedy, Mass.	Williams, N.J.
Dodd	Kuchel	

So Mr. MUNDT's amendment was agreed to.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRIFFIN. Mr. President, I take the floor for the purpose of directing some inquiries to the distinguished Senator from Maine, the manager of the bill.

Under title IV of the bill, as I understand it, authority is given to the heads of Federal agencies to assign Federal employees to State and local agencies of government.

I would like to ask first of all if there are any particular limits or guidelines as to how many Federal employees can be assigned to work for State and local units of government. Is there any assurance that all of these people will not be assigned to one State or two States? Is there any criteria by which the head of a Federal agency is to be guided?

Mr. MUSKIE. Mr. President, I say to the distinguished Senator from Michigan that this title has to do with the interchangeability of personnel as between the three levels of government. In other words, if implemented—and its implementation depends upon the initiative of the governments involved—it would authorize the interchange of State personnel with Federal agencies, local personnel with State agencies, and so on.

It was argued very persuasively last year that making it possible for personnel at any one of the three levels of government to gain experience in the others would tend to improve the cooperative nature of the federal system. So, this provision was inserted as a result of the hearings last year.

There are no numbers spelled out. The details touched upon by the question of the Senator are not spelled out in the bill.

Mr. GRIFFIN. Mr. President, I appreciate the response of the Senator, but as I read the bill—and I would appreciate being corrected if I am in error—there would be absolutely no limit to the number of Federal employees that could be hired and assigned by agencies or departments of the Federal Government and State and local units of government, except as limited by the appropriations in the bill. Federal employees could be assigned to units of State or local government, their salaries could be paid either in whole or in part by the Federal Government. As I understand it, if they are assigned on leave without pay, the Federal Government would make up the difference, if there were any, between State and Federal pay.

There is no express requirement for any man-to-man exchange, that there be a Federal employee in a State job and a State employee in a Federal job. There need be no equality, as I understand it; it could be all one way. There is no guideline whatsoever in terms of where the employees might go.

I ask the Senator whether the Federal Government could hire teachers and assign them to local school boards to teach in local school systems, their salaries to be paid in full by the Federal Government. And, if not, why not, under the bill? Teachers are employees of local units of government.

Mr. MUSKIE. Mr. President, it is not the purpose of the bill to put teachers on the Federal payroll. The purpose of the bill is to make it possible for employees of the State government to benefit from the experience of working with a Federal agency at the Federal level, and the reverse.

The authority for State employees to participate in such a program will, of course, depend upon State legislation. We cannot legislate for the States. So, what the bill does is provide authority for the Federal agencies to participate in this kind of exchange.

The inhibitions would be the fact that, I take it, no Federal agency is so oversupplied with employees that it can assign them to this kind of duty without limit.

There is the appropriation limitation.

The purpose is to experiment in a limited way, and not in an unlimited way, in the exchange of personnel so that people from the State agencies can get the benefit of working in a Federal agency, benefits that they can take back to their State agencies.

It is not the intent of the Federal Government to use this measure as a way of dominating the schools or the governments at the local and State level.

The proposal was urged upon us even more strongly by State and local leaders than by Federal agencies.

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

Mr. GRIFFIN. I yield.

Mr. BAKER. Mr. President, I point out also that title VI—which also deals with assignments to and from States—at section 3372 provides that this interchange of employees would be made on

request from or with concurrence of a State or local government.

Mr. GRIFFIN. Mr. President, I appreciate that assurance, but does the Senator not think that every State and local agency would be delighted to have as many employees as they can possibly get if the Federal Government would be willing to pay the salaries?

Mr. BAKER. Mr. President, I respectfully feel that the second section of section 3372 implies that the coin has two sides, that the State, county, or city government can request Federal employees for a period not to exceed 2 years and the Federal Government can ask for State, county, or local employees in the Federal Government for a period not to exceed 2 years. So, it is my thought that the two-sidedness of the coin might have a very salutary effect on any abuse of the exchange.

Mr. GRIFFIN. There is no requirement?

Mr. BAKER. There is no requirement.

Mr. GRIFFIN. Did the committee consider including that requirement in the bill, because that would have a great effect on the matter.

Mr. BAKER. I would be going too far if I were to say that that particular point was not considered by the subcommittee. I am sure it was not considered in the full committee.

However, I am sure, and I would reassure my colleague in this respect, that the witnesses we had, both the so-called organizations witnesses such as the League of Cities, the Governors' Conference, and the like, and the academicians we had in this field, pointed out that one of the most salutary methods for training or for upgrading the job skills of local employees is by example.

As Senator MUNDT pointed out in his remarks in connection with his first amendment, one of the most satisfactory and most workable programs of this type has been the use of the FBI Institute and training facilities to train local law enforcement agencies. I believe that this is where the matter took its genesis, and I believe that this formed a pattern for the provision which is elaborated beyond title IV, in title VI, in section 3372.

Mr. GRIFFIN. I can see situations where it would be very desirable, within the framework of reasonable guidelines and criteria, perhaps in one field at a time, as we have done with respect to the FBI, to develop procedures whereby the Federal Government could assign employees on a temporary basis to local units of government, and vice versa.

However, what concerns me about this measure is that it would be a blank check. It appropriates a sum of money, and the head of each agency and department would have almost unlimited discretion. If he determined that it would be of mutual benefit, apparently that would be the only test, there would be no limit as to how many employees could be assigned and paid out of the Federal Treasury. There is no allocation formula in the bill—no assurance that New Hampshire will get fair treatment, for example There is no appeal from any determination, no review. It is a completely discretionary power that could be exercised arbitrarily, as I see it. Because of this I cannot support the bill.

Mr. BAKER. Not only is it substantially as the Senator from Michigan has characterized it, but also, it is without strings attached, which in Federal programs is a matter near and dear to my heart. As a matter of fact, if we were, by legislation or by administrative ruling, to set out the precise totals on how many employees, from what States, and for what purposes, it would become the most rigid of all categorical type programs and would lose the inherent flexibility that this measure tries to put on the statute books as a new approach to the matter of solving a problem without absolute determination and domination by the Federal structure.

Mr. GRIFFIN. I appreciate the response of the Senator from Tennessee.

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

Mr. GRIFFIN. I yield.

Mr. COTTON. When the Senator from Michigan used New Hampshire as an example, as a possible victim of this bill that has no limitations, I thank him for doing so, because he must have been reading my mind. That is exactly what I think.

Mr. MUSKIE. Mr. President, I find it most interesting, following the vote on the first amendment, that there should now be this concern with guidelines; because the first Mundt amendment, so far as a Federal agency is concerned, eliminated guidelines and provided that a Governor, on his own say-so, and without any test of Federal discretion, can get these sums of money.

Now I find that the Senator from Michigan, who voted for the first Mundt amendment, is concerned that, with respect to the title 4 program, there are inadequate guidelines and that that program may be abused by State and local people taking undo advantage. The bill, at least with respect to that feature, still leaves some discretion—not involving dollars directly—with the Federal agency.

I take it that at this point it is a moot question whether or not the Federal agency should have any guidelines to impose upon the States.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The question is on agreeing to the committee amendments as amended.

Mr. THURMOND. Mr. President——

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

Mr. THURMOND. I yield.

Mr. MUSKIE. Mr. President, I did not intend to ask for the yeas and nays on final passage, but several Senators have expressed the desire that there be such a vote; and, out of deference to them—a number of Senators being in the Chamber at the moment—I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. May we first vote on the committee amendments?

Mr. MUSKIE. I withdraw my request at this time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments, as amended.

The committee amendments, as amended, were agreed to.

Mr. MUSKIE. Now, Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise to speak in opposition to this bill. I cannot conceive of any person who believes in the Constitution of the United States supporting this measure. The title itself indicates that it does not conform to our Federal system. What does the bill propose to do? These are a few things it would do. Listen to the title: Extends State and local merit systems to additional programs financed by Federal funds; provides grants for improvement of State and local personnel administration; authorizes Federal assistance in training State and local employees; provides grants to State and local governments for training of their employees; facilitates the interchange of Federal, State, and local personnel.

Mr. President, all these are State functions. They are functions of the States and the local governments. This bill is another attempt to extend the long arm of the Federal Government down into the functions of the States, which ultimately will lead to control of those functions. It seems to me that the Senate will make a great mistake if it passes this measure, because we will be setting the precedent for more Federal control. If that is what we want, this is the way to get it. I do not know of a more appropriate bill that the Senate could pass than this one, if you want more Federal control.

There is no question in my mind that Federal control follows Federal aid, just as the night follows the day. The Federal Government may start giving this aid without controls. But in a year or two, the controls will be applied.

For years there was a clamor for Federal aid to education, and they said it would be without control. Those who favored such aid said, "We want it without control." And what do we have today? We have Federal control from Washington. Today, funds are being withheld from many school districts in this Nation, funds are being withheld from many hospitals in this Nation, funds are being withheld for other purposes. By whom? By the Federal Government. And funds will be withheld for the functions specified in this bill ultimately, if the bill is passed.

Aside from the funds, Mr. President, I am deeply concerned and becoming more and more concerned about Federal power. There is only so much power. It is a question of whether we are going to leave it at the State level and with the people, where the Constitution placed it, or whether we are going to give it to the Federal Government. Year after year, we are going further and further, shifting it to the Federal Government, shifting it from the State level to the national level, taking it away from the people and transferring it to Washington.

I believe the time has come, Mr. President, if we favor the rights of the States under the Constitution, for us to have the courage to restrain from accepting and advocating more Federal aid, when we know that such action will deprive the States and the people of power given to them under the Constitution, even though such action taken by us may result in the loss of Federal aid to the States.

I hope the Senate will kill this bill, and

I hope it will kill other bills that may arise which would transfer power from the State level to the national level.

We have entirely too much power now at the national level. When the Constitution was written, it was never contemplated that the National Government would go into all the different fields that it has gone into.

Almost every facet of the people's lives is touched now by the Federal Government. How much further are we going? If we go much further, the States will be nothing more than territories, and the Federal Government will control every action of all the people throughout all the States of the Nation.

I hope the Senate will kill this bill.

Mr. MUSKIE. Mr. President, I shall take only 30 seconds.

Despite the fact that I have grave reservations about the bill in its present form, I think it incorporates objectives which should be kept alive, and it is in the hope that the bill may receive careful consideration in the other body, careful review of some of the things the Senate has done this afternoon, that I urge the Senate to vote for the bill.

I must disagree with the distinguished Senator from South Carolina. Rather than representing a massive Federal incursion into State power and responsibility, this bill in its present form may prove to be largely ineffectual because of what we have already done to restrict and inhibit it. Nevertheless, I think the bill is worth keeping alive. Therefore, I propose to vote for the bill despite the crippling amendments and I urge Senators to do likewise.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished senior Senator from Georgia [Mr. RUSSELL]. If he were present and voting, he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wisconsin [Mr. NELSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wisconsin [Mr. NELSON], and the Senator from Nevada [Mr. CANNON] would each vote "yea."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from North Carolina would vote "nay" and the Senator from New Jersey would vote "yea."

Mr. HICKENLOOPER. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Oregon [Mr. HATFIELD], the Senator from New York [Mr. JAVITS], the Senators from California [Mr. KUCHEL and Mr. MURPHY] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVTIS], the Senators from California [Mr. KUCHEL and Mr. MURPHY] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

On this vote, the Senator from Oregon [Mr. HATFIELD] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 54, nays 26, as follows:

[No. 311 Leg.]

YEAS—54

Aiken	Gruening	Morse
Anderson	Harris	Morton
Baker	Hart	Moss
Bartlett	Hartke	Mundt
Bayh	Inouye	Muskie
Bennett	Jackson	Pastore
Bible	Kennedy, N.Y.	Pearson
Boggs	Long, Mo.	Pell
Brewster	Long, La.	Percy
Brooke	McCarthy	Prouty
Burdick	McGee	Proxmire
Byrd, W. Va.	McGovern	Randolph
Carlson	McIntyre	Ribicoff
Case	Metcalf	Smith
Church	Miller	Symington
Dominick	Mondale	Tydings
Fong	Monroney	Yarborough
Fulbright	Montoya	Young, Ohio

NAYS—26

Byrd, Va.	Hickenlooper	Sparkman
Cotton	Hill	Spong
Curtis	Holland	Stennis
Ellender	Hollings	Talmadge
Ervin	Hruska	Thurmond
Fannin	Jordan, Idaho	Tower
Gore	Lausche	Williams, Del.
Griffin	McClellan	Young, N. Dak.
Hansen	Smathers	

NOT VOTING—20

Allott	Hatfield	Mansfield
Cannon	Hayden	Murphy
Clark	Javits	Nelson
Cooper	Jordan, N.C.	Russell
Dirksen	Kennedy, Mass.	Scott
Dodd	Kuchel	Williams, N.J.
Eastland	Magnuson	

So the bill (S. 699) was passed as follows:

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

DECLARATION OF POLICY

SEC. 2. The Congress hereby finds and declares—

That effective State and local governmental institutions are essential in the maintenance and development of the federal system in an increasingly complex and interdependent society;

That, since numerous governmental activities administered by the State and local governments are related to national purpose and are financed in part by Federal funds, a national interest exists in a higher caliber of public service in State and local governments;

That the quality of public service at all levels of government can be improved by the development of systems of personnel administration consistent with such merit principles as—

(1) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;

(2) providing equitable and adequate compensation;

(3) training employees, as needed, to assure high-quality performance;

(4) retaining employees on the basis of the adequacy of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected;

(5) assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, sex, or religious creed and with proper regard for their privacy and constitutional rights as citizens; and

(6) assuring that employees are protected against coercion for partisan political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office; and

That Federal financial and technical assistance to State and local governments for strengthening their personnel administration in a manner consistent with these principles is in the national interest.

SEC. 3. The authorities provided by this Act shall be administered in such manner as to recognize fully the rights, powers, and responsibilities of State and local governments.

TITLE I—DEVELOPMENT OF POLICIES AND STANDARDS

DECLARATION OF PURPOSE

SEC. 101. The purpose of this title is to provide for intergovernmental cooperation in the development of policies and standards for the administration of programs authorized by this Act.

ADVISORY COUNCIL

SEC. 102. (a) Within one hundred and eighty days following the date of enactment of this Act, the President shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, an advisory council on intergovernmental personnel policy.

(b) The advisory council shall be composed primarily of officials of the Federal Government and State and local governments, but shall also include members selected from educational and training institutions or organizations, public employee organizations, and the general public. At least half of the members shall be officials of State and local governments.

(c) It shall be the duty of the advisory council to study and make recommendations regarding personnel policies and programs for the purpose of—

(1) improving the quality of public administration at all levels of government, particularly in connection with programs that are financed in whole or in part from Federal appropriations;

(2) strengthening the capacity of State and local governments to deal with complex problems confronting all levels of government;

(3) aiding State and local governments in training their professional, administrative, and technical employees and officials;

(4) aiding State and local governments in developing systems of personnel administration that are responsive to the goals and

needs of their programs and effective in attracting and retaining capable employees; and

(5) facilitating temporary assignments of personnel between levels of government.

(d) Members of the advisory council who are not regular full-time employees of the United States, while serving on the business of the council, including traveltime, are entitled to receive compensation at rates not exceeding the daily rate for GS-18; and while so serving away from their homes or regular places of business, all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.

REPORTS OF ADVISORY COUNCIL

SEC. 103. (a) The advisory council on intergovernmental personnel policy shall from time to time report to the President and to the Congress its findings and recommendations.

(b) Not later than eighteen months after its establishment, the advisory council shall submit an initial report on its activities, which shall include its views and recommendations on—

(1) the feasibility and desirability of extending merit system requirements to additional Federal-State grant-in-aid programs;

(2) the feasibility and desirability of extending merit system requirements to grant-in-aid programs of a Federal-local character;

(3) appropriate standards for merit personnel administration, where applicable, including those established by regulations with respect to existing Federal grant-in-aid programs; and

(4) the feasibility and desirability of financial and other incentives to encourage State and local governments in the development of comprehensive systems of personnel administration based on merit principles.

(c) In transmitting to the Congress reports of the advisory council, the President shall submit to the Congress proposals of legislation which he deems desirable to carry out the recommendations of the advisory council.

TITLE II—STRENGTHENING STATE AND LOCAL PERSONNEL ADMINISTRATION

DECLARATION OF PURPOSE

SEC. 201. The purpose of this title is to assist State and local governments to strengthen their staffs by improving their personnel administration.

STATE GOVERNMENT AND STATEWIDE PROGRAMS AND GRANTS

SEC. 202. (a) The United States Civil Service Commission (hereinafter referred to as the Commission) is authorized to make grants to States for up to 50 per centum of the costs of developing and of carrying out programs or projects upon the certification of the Governor that those programs or projects are consistent with the applicable principles set forth in clauses (1)-(6) of the third paragraph of section 2 of this Act, to strengthen State and local government personnel administration and to furnish needed personnel administration services to local governments in that State. Eighty per centum of the grants authorized by this section shall be apportioned on the basis of the distribution formula set out in section 506, and funds shall not be transferable among the States. The remaining 20 per centum shall be distributed by the Commission to applicants that the Commission finds meet the purposes of this Act and which it finds are consistent with the principles set forth in clauses (1)-(6) of the third paragraph of section 2. The authority provided by this section shall be employed in such a manner as to encourage innovation and allow for diversity on the part of State and local governments in the design, execution, and management of their own systems of personnel administration.

(b) A grant authorized by section (a) of this section may be made to a State on application to the Commission at such time or times and containing such information as the Commission may prescribe.

To be approved, the application shall—

(1) provide for designation by the Governor or chief executive authority, of the State office that will have primary authority and responsibility for the development and administration of the approved program or project at the State level:

(2) provide for the establishment of merit personnel administration where appropriate and the further improvement of existing systems based on merit principles;

(3) provide for specific personnel administration improvement needs of the State government and, to the extent appropriate, of the local governments in that State, including State personnel administration services for local governments;

(4) provide assurance that the making of a Federal Government grant will not result in a reduction in relevant State or local government expenditures or the substitution of Federal funds for State or local funds previously made available for these purposes; and

(5) set forth clear and practicable actions for the improvement of particular aspects of personnel administration such as—

(A) establishment of statewide personnel systems of general or special functional coverage to meet the needs of urban, suburban, or rural governmental jurisdictions that are not able to provide sound career services, opportunities for advancement, adequate retirement and leave systems, and other career inducements to well-qualified professional, administrative, and technical personnel;

(B) making State grants to local governments to strengthen their staffs by improving their personnel administration;

(C) assesssment of State and local government needs for professional, administrative, and technical manpower, and the initiation of timely and appropriate action to meet such needs;

(D) strengthening one or more major areas of personnel administration, such as recruitment and selection, training and development, and pay administration;

(E) undertaking research and demonstration projects to develop and apply better personnel administration techniques, including both projects conducted by State and local government staffs and projects conducted by colleges or universities or other appropriate nonprofit organizations under grants or contracts;

(F) strengthening the recruitment, selection, assignment, and development of handicapped persons, women, and members of disadvantaged groups whose capacities are not being utilized fully;

(G) achieving the most effective use of scarce professional, administrative, and technical manpower; and

(H) intergovernmental cooperation in personnel administration, with respect to such matters as recruiting, examining, pay studies, training, education, personnel interchange, manpower utilization, and fringe benefits.

LOCAL GOVERNMENT PROGRAMS AND GRANTS

SEC. 203. (a) The Commission is authorized to make grants to general local governments, or combinations of such governments, that serve a population of fifty thousand or more, for up to 50 per centum of the cost of developing or carrying out programs and projects upon the certification of the Governor that those programs or projects are consistent with the applicable principles set forth in clauses (1)-(6) of the third paragraph of section 2 of this Act, to strengthen the personnel administration of such governments. Such a grant may be made only if, at the time of the submission of an application, the State concerned does not then currently have an approved application for a grant providing adequately for assistance in strengthening the personnel administration of that local government or combination of local governments. However, such a grant, except as provided in subsection (b)(1) of this section, may not be made until the expiration of one year from the effective date of the grant provisions, as provided in section 513 of this Act.

(b) A grant authorized by subsection (a) of this section may be made to a general local government or combination of local governments on application to the Commission at such time or times and containing such information as the Commission may prescribe. To be approved, the application must meet requirements similar to those established in section 202(b) of this Act for a State application for a grant, unless any such requirement is specifically waived by the Commission, and the requirements of subsection (c) of this section. Such grants may cover the costs of developing the program or project covered by the application. The Commission may—

(1) waive, at the request of a general local government or combination of such governments, the one-year waiting period, unless the State concerned declares, within ninety days from the effective date of the grant provisions, as provided in section 513 of this Act, an intent to file an application for a grant that will include the local government or governments; and

(2) make grants to general local governments, or combinations of such governments, that serve a population of less than fifty thousand if it finds that such grants will help meet essential needs in programs or projects of national interest and will assist general local governments experiencing special problems in personnel administration related to such programs or projects.

(c) An application to be submitted to the Commission under subsection (b) of this section shall first be submitted by the general local government or governments to the State office designated under section 202(b)(1) of this Act for review, except that, if no State office has been so designated, such application shall be submitted to the Governor for his review. Any comments and recommendations of the State office or of the Governor and a statement by the general local government or governments that such comments and recommendations have been considered prior to its formal submission will accompany the application to the Commission. However, the application need not be accompanied by such comments and recommendations and by such a statement if the general local government or governments certify that the application has been before the State office or the Governor, as the case may be, for review for a period of sixty days without comments or recommendations on the application being made by that office.

INTERGOVERNMENTAL COOPERATION IN RECRUITING AND EXAMINING

SEC. 204. (a) The Commission may join, on a shared-costs basis, with State and local governments in cooperative recruiting and examining activities under such procedures and regulations as may jointly be agreed upon.

(b) The Commission also may, on the written request of a State or local government and under such procedures as may be jointly agreed upon, certify to such governments from appropriate Federal registers the names of potential employees. The State or local government making the request shall pay the Commission for the costs, as determined by the Commission, of performing the service, and such payments shall be credited to the appropriation or fund from which the expenses were or are to be paid.

TECHNICAL ASSISTANCE

SEC. 205. The Commission may furnish technical advice and assistance, on request, to State and general local governments seeking to improve their systems of personnel administration. The Commission may accept from such governments payments, in whole or in part, for the costs of furnishing such assistance. All such payments shall be credited to the appropriation or fund from which the expenses were or are to be paid.

COORDINATION OF FEDERAL PROGRAMS

SEC. 206. The Commission, after consultation with other agencies concerned, shall—

(1) coordinate the personnel administration support and technical assistance given to State and local governments and the support given State programs or projects to strengthen local government personnel administration, including the furnishing of needed personnel administration services and technical assistance, under authority of this Act with any such support given under other Federal programs; and

(2) make such arrangements, including the collection, maintenance, and dissemination of data on grants for strengthening State and local government personnel administration and on grants to States for furnishing needed personnel administration services and technical assistance to local governments, as needed to avoid duplication and insure consistent administration of related Federal activities.

INTERSTATE COMPACTS

SEC. 207. The consent of the Congress is hereby given to any two or more States to enter into compacts or other agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance (including the establishment of appropriate agencies) in connection with the development and administration of personnel and training programs for employees and officials of State and local governments.

TRANSFER OF FUNCTIONS

SEC. 208. (a) There are hereby transferred to the Commission all functions, powers, and duties of—

(1) the Secretary of Agriculture under section 10(e)(2) of the Food Stamp Act of 1964 (7 U.S.C. 2019(e)(2));

(2) the Secretary of Labor under—

(A) the Act of June 6, 1933, as amended (29 U.S.C. 49 et seq.); and

(B) section 303(a)(1) of the Social Security Act (42 U.S.C. 503(a)(1));

(3) the Secretary of Health, Education, and Welfare under—

(A) section 134(a)(6) and 204(a)(6) of the Mental Retardation Facilities and Community Health Centers Construction Act of 1963 (42 U.S.C. 2674(a)(6) and 2684(a)(6));

(B) section 303(a)(5) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)(5));

(C) sections 314 (a)(2)(F) and (d)(2)(F) and 604(a)(8) of the Public Health Service Act (42 U.S.C. 246 (a)(2)(F) and (d)(2)(F) and 291d(a)(8)); and

(D) sections 2(a)(5), 402(a)(5), 503(a)(3), 513(a)(3), 1002(a)(5), 1402(a)(5), 1062(a)(5), and 1902(a)(4), of the Social Security Act (42 U.S.C. 302(a)(5), 602(a)(5), 703(a)(3), 713(a)(3), 1202(a)(5), 1352(a)(5), 1382(a)(5), and 1396(a)(4)); and

(4) any other department, agency, office, or officer (other than the President) under any other provision of law or regulation applicable to a program of grant-in-aid that specifically requires the establishment and maintenance of personnel standards on a merit basis with respect to the program; insofar as the functions, powers, and duties relate to the prescription of personnel standards on a merit basis.

(b) The Commission shall—

(1) provide consultation and technical advice and assistance to State and local governments to aid them in complying with standards prescribed by the Commission under subsection (a) of this section; and

(2) advise Federal agencies administering programs of grants or financial assistance as to the application of required personnel administration standards, and recommend and coordinate the taking of such actions by the Federal agencies as the Commission considers will most effectively carry out the purpose of this title.

(c) So much of the personnel, property, records, and unexpend balances of appropriations, allocations, and other funds of any Federal agency employed, used, held, available, or to be made available in connection with the functions, powers, and duties vested in the Commission by this section as the Director of the Bureau of the Budget shall determine shall be transferred to the Commission at such time or times as the Director shall direct.

(d) Personnel standards prescribed by Federal agencies under laws and regulations referred to in subsection (a) of this section shall continue in effect until modified or superseded by standards prescribed by the Commission under subsection (a) of this section.

(e) Any standards or regulations established pursuant to the provisions of this section shall be such as to encourage innovation and allow for diversity on the part of State and local governments in the design, execution, and management of their own individual systems of personnel administration.

(f) Nothing in this section or in section 202 or 203 of this Act shall be construed to—

(1) authorize any agency or official of the Federal Government to exercise any authority, direction, or control over the selection, assignment, advancement, retention, compensation, or other personnel action with respect to any individual State or local employee;

(2) authorize the application of personnel standards on a merit basis to the teaching personnel of educational institutions or school systems;

(3) prevent participation by employees or employee organizations in the formulation of policies and procedures affecting the conditions of their employment, subject to the laws and ordinances of the State or local government concerned;

(4) require or request any State or local government employee to disclose his race, religion, or national origin, or the race, religion, or national origin, of any of his forebears;

(5) require or request any State or local government employee, or any person applying for employment as a State or local government employee, to submit to any interrogation or examination or to take any psychological test or any polygraph test which is designed to elicit from him information concerning his personal relationship with any person connected with him by blood or marriage, or concerning his religious beliefs or practices, or concerning his attitude or conduct with respect to sexual matters; or

(6) require or request any State or local government employee to participate in any way in any activities or undertakings unless such activities or undertakings are related to the performance of official duties to which he is or may be assigned or to the development of skills, knowledge, or abilities which qualify him for the performance of such duties.

(g) This section shall become effective sixty days after the date of enactment of this Act.

TITLE III—TRAINING AND DEVELOPING STATE AND LOCAL EMPLOYEES

DECLARATION OF PURPOSE

SEC. 301. The purpose of this title is to strengthen the training and development of State and local government employees and officials, particularly in professional, administrative, and technical fields.

ADMISSION TO FEDERAL EMPLOYEE TRAINING PROGRAMS

SEC. 302. (a) In accordance with such conditions as may be prescribed by the head of the Federal agency concerned, a Federal agency may admit State and local government employees and officials to agency training programs established for Federal professional, administrative, or technical personnel.

(b) Federal agencies are authorized to receive payments from, or on behalf of, State and local governments for the costs of training provided under this section, and to enter into agreements with them for this purpose. The head of the Federal agency concerned may waive all or part of such payments. Payments received by the Federal agency concerned for training under this section shall be credited to the appropriation or fund used for paying the training costs.

(c) The Commission may use appropriations authorized by this Act to pay the additional developmental or overhead costs that are incurred by reason of admittance of State and local government employees to Federal training courses and to reimburse other Federal agencies for such costs.

TRAINING OF PERSONNEL ENGAGED IN GRANT-IN-AID PROGRAMS

SEC. 303. (a) Any Federal agency administering a program of grants or financial assistance to State or local governments may—

(1) establish, provide, and conduct training programs for employees and officials of State and local governments who have responsibilities related to the federally aided program, and, to the same extent provided in section 302(b) of this Act, receive or waive payments for such training and credit any such payments to the appropriation or fund used for paying the training costs; and

(2) authorize State and local governments—

(A) from Federal funds available for State or local program administration expenses under grants or financial assistance; or

(B) from other Federal grant or financial assistance funds when so provided in appropriation or other Acts;

to establish, conduct, provide, and support training and education programs for their employees and officials who have responsibilities related to the federally aided program, including internship, work-study, fellowship, and similar programs if approved by the Federal agency concerned, provided that full-time, graduate-level education supported under this subsection shall be consistent with provisions made for Government Service Fellowships under section 306 of this Act.

(b) The State or local government concerned shall—

(1) in accordance with eligibility criteria prescribed by the Federal agency concerned, select the individual employees and officials to receive education and training in programs established under this section; and

(2) during the period of the education or training, continue the full salary of the employee or official concerned and normal employment benefits such as credit for seniority, leave accrual, retirement, and insurance.

GRANTS TO STATE AND LOCAL GOVERNMENTS FOR TRAINING

SEC. 304. (a) If in its judgment training is not adequately provided for under grant-in-aid or other statutes, the Commission is authorized to make grants to State and general local governments for up to 50 per centum of the cost of developing and carrying out training and education programs, for their professional, administrative, and technical employees and officials, which the Commission finds are consistent with the applicable principles set forth in clauses (1)–(6) of the third paragraph of section 2 of this Act. Such grants may not be used to

cover costs of full-time graduate-level study, provided for in section 306 of this Act, or the costs of the construction or acquisition of training facilities. The State and local government share of the cost of developing and carrying out training and education plans and programs may include, but shall not consist solely of, the reasonable value of facilities and of supervisory and other personal services made available by such governments. The authority provided by this section shall be employed in such a manner as to encourage innovation and allow for diversity on the part of State and local governments in developing and carrying out training and education programs for their personnel.

(b) A grant authorized by subsection (a) of this section may be made to a State on application to the Commission at such time or times and containing such information as the Commission may prescribe. To be approved, the application must meet requirements established by this subsection unless any requirement is specifically waived by the Commission. Such grant to a State, or to a general local government under subsection (c) of this section, may cover the costs of developing the program covered by the application. The program covered by the application shall—

(1) provide for designation, by the Governor or chief executive authority, of the State office that will have primary authority and responsibility for the development and administration of the program at the State level;

(2) provide, to the extent feasible, for coordination with relevant training available under or supported by other Federal Government programs or grants;

(3) provide for training needs of the State government and of local governments in that State;

(4) provide, to the extent feasible, for intergovernmental cooperation in employee training matters, especially within metropolitan or regional areas; and

(5) provide assurance that the making of a Federal Government grant will not result in a reduction in relevant State or local government expenditures or the substitution of Federal funds for State or local funds previously made available for these purposes.

(c) A grant authorized by subsection (a) of this section may be made to a general local government, or a combination of such governments, that serves a population of fifty thousand or more only if, at the time of the submission of an application, the State concerned does not then currently have an approved application for a grant providing adequately for training of employees of that local government or combination of local governments. However, such a grant except as further provided in this subsection, may not be made until the expiration of one year from the effective date of the grant provisions of this Act. To be approved, an application for a grant under this subsection must meet requirements similar to those established in subsection (b) of this section for State applications, unless any such requirement is specifically waived by the Commission, and the requirements of subsection (d) of this section. The Commission may—

(1) waive, at the request of a general local government or a combination of such governments, the one-year waiting period provided under subsection (c) of this section unless the State concerned declares, within ninety days from the effective date of the grant provisions of this Act, an intent to file an application for a grant that will provide training for employees of the general local government or governments; and

(2) make grants to general local governments, or combinations of such governments that serve a population of less than fifty thousand if it finds that such grants will help meet essential needs in programs of national interest and will assist general local governments experiencing special needs for personnel training and education related to such programs or projects.

(d) An application to be submitted to the Commission under subsection (c) of this section shall first be submitted by the general local government or governments to the State office designated under section 304 (b)(1) of this Act for review, except that, if no State office has been so designated, such application shall be submitted to the Governor for his review. Any comments and recommendations of the State office and a statement by the general local government or governments that such comments and recommendations have been considered prior to its formal submission will accompany the application to the Commission. However, the application need not be accompanied by such comments and recommendations and by such a statement if the general local government or governments certify that the application has been before the State office or the Governor, as the case may be, for review for a period of sixty days without comments or recommendations on the application being made by that office.

GRANTS TO OTHER ORGANIZATIONS

SEC. 305. (a) The Commission is authorized to make grants to other organizations to pay up to 50 per centum of the costs of providing training to professional, administrative, or technical employees and officials of State or local governments if the Commission—

(1) finds substantial State and local government interest in the proposed program; and

(2) approves the program as meeting such requirements as may be prescribed by the Commission in its regulations pursuant to this Act.

(b) For the purpose of this section "other organization" means—

(1) a national, regional, statewide, areawide, or metropolitan organization, representing member State or local governments;

(2) an association of State or local public officials; or

(3) a nonprofit organization one of whose principal functions is to offer professional advisory, research, development, educational or related services to governments.

GOVERNMENT SERVICE FELLOWSHIPS

SEC. 306. (a) The Commission is authorized to make grants to State and general local governments to support programs approved by the Commission for providing Government Service Fellowships for State and local government personnel. The grants may cover—

(1) the necessary costs of the fellowship recipient's books, travel, and transportation, and such related expenses as may be authorized by the Commission;

(2) reimbursement to the State or local government for not to exceed one-fourth of the salary of each fellow during the period of the fellowship; and

(3) payment to the educational institutions involved not in excess of $3,000 per academic year for each fellow less any amount charged the fellow for tuition and nonrefundable fees and deposits.

(b) Fellowships awarded under this section may not exceed two years of full-time graduate-level study for professional, administrative, and technical employees. The regulations of the Commission shall include eligibility criteria for the selection of fellowship recipients by State and local governments.

(c) The State or local government concerned shall—

(1) select the individual recipients of the fellowships;

(2) during the period of the fellowship, continue the full salary of the recipient and normal employment benefits such as credit for seniority, leave accrual, retirement, and insurance; and

(3) make appropriate plans for the utilization and continuation in public service of employees completing fellowships and outline such plans in the application for the grant.

COORDINATION OF FEDERAL PROGRAMS

SEC. 307. The Commission, after consultation with other agencies concerned, shall—

(1) prescribe regulations concerning administration of training for employees and officials of State and local governments provided for in this title, including requirements for coordination of and reasonable consistency in such training programs;

(2) coordinate the training support given to State and local governments under authority of this Act with training support given such governments under other Federal programs; and

(3) make such arrangements, including the collection and maintenance of data on training grants and programs, as may be necessary to avoid duplication of programs providing for training and to insure consistent administration of related Federal training activities.

TITLE IV—MOBILITY OF FEDERAL, STATE, AND LOCAL EMPLOYEES

DECLARATION OF PURPOSE

SEC. 401. The purpose of this title is to provide for the temporary assignment of personnel between the Federal Government and State and local governments and institutions of higher education.

AMENDMENTS TO TITLE 5, UNITED STATES CODE

SEC. 402 (a) Chapter 33 of title 5, United States Code, is amended by inserting the following new subchapter at the end thereof:

"SUBCHAPTER VI—ASSIGNMENTS TO AND FROM STATES

"§ 3371. Definitions

"For the purpose of this subchapter—

"(1) 'State' means—

"(A) a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States; and

"(B) an instrumentality or authority of a State or States as defined in clause (A) of this paragraph (1) and a Federal-State authority or instrumentality; and

"(2) 'local government' means—

"(A) any political subdivision, instrumentality or authority of a State or States as defined in clause (A) of paragraph (1); and

"(B) any general or special purpose agency of such a political subdivision, instrumentality, or authority.

"§ 3372. General provisions

"(a) On request from or with the concurrence of a State or local government, and with the consent of the employee concerned, the head of an Executive agency may arrange for the assignment of—

"(1) an employee of his agency to a State or local government; and

"(2) an employee of a State or local government to his agency;

for work of mutual concern to his agency and the State or local government that he determines will be beneficial to both. The period of an assignment under this subchapter may not exceed 2 years. However, the head of an Executive agency may extend the period of assignment for not more than 2 additional years.

"(b) This subchapter is authority for and applies to the assignment of—

"(1) an employee of an Executive agency to an institution of higher education; and

"(2) an employee of an institution of higher education to an Executive agency.

"§ 3373. Assignment of employees to State or local governments

"(a) An employee of an Executive agency assigned to a State or local government under

this subchapter is deemed, during the assignment, to be either—

"(1) on detail to a regular work assignment in his agency; or

"(2) on leave without pay from his position in the agency.

An employee assigned either on detail or on leave without pay remains an employee of his agency. The Federal Tort Claims Act and any other Federal tort liability statute apply to an employee so assigned. The supervision of the duties of an employee on detail may be governed by agreement between the Executive agency and the State or local government concerned.

"(b) The assignment of an employee of an Executive agency either on detail or on leave without pay to a State or local government under this subchapter may be made with or without reimbursment by the State or local government for the travel and transportation expenses to or from the place of assignment and for the pay or supplemental pay or a part thereof, of the employee during assignment. Any reimbursements shall be credited to the appropriation of the Executive agency used for paying the travel and transportation expenses or pay.

"(c) For an employee so assigned and on leave without pay—

"(1) if the rate of pay for his employment by the State or local government is less than the rate of pay he would have received had he continued in his regular assignment in the agency, he is entitled to receive supplemental pay from the agency in an amount equal to the difference between the State or local government rate and the agency rate;

"(2) he is entitled to annual and sick leave to the same extent as if he had continued in his regular assignment in the agency; and

"(3) he is entitled, not withstanding other statutes—

"(A) to continuation of his insurance under chapter 87 of this title, and coverage under chapter 89 of this title or other applicable authority, so long as he pays currently into the Employee's Life Insurance Fund and the Employee's Health Benefits Fund or other applicable health benefits system (through his employing agency) the amount of the employee contributions;

"(B) to credit the period of his assignment under this subchapter toward periodic step-increases, retention, and leave accrual purposes, and, on payment into the Civil Service Retirement and Disability Fund or other applicable retirement system of the percentage of his State or local government pay, and of his supplemental pay, if any, that would have been deducted from a like agency pay for the period of the assignment and payment by the Executive agency into the fund or system of the amount that would have been payable by the agency during the period of the assignment with respect to a like agency pay, to treat (notwithstanding section 8348(g) of this title) his service during that period as service of the type performed in the agency immediately before his assignment; and

"(C) for the purpose of subchapter I of chapter 85 of this title, to credit the service performed during the period of his assignment under this subchapter as Federal service, and to consider his State or local government pay (and his supplemental pay, if any) as Federal wages. To the extent that the service could also be the basis for entitlement to unemployment compensation under a State law, the employee may elect to claim unemployment compensation on the basis of the service under either the State law or subchapter I of chapter 85 of this title.

However, an employee or his beneficiary may not receive benefits referred to in subparagraphs (A) and (B) of this paragraph (3), based on service during an assignment under this subchapter for which the employee or, if he dies without making such an election, his beneficiary elects to receive benefits, under any State or local government retirement or insurance law or program, which the Civil Service Commission determines to be similar. The Executive agency shall deposit currently in the Employee's Life Insurance Fund, the Employee's Health Benefits Fund or other applicable health benefits system, respectively, the amount of the Government's contributions on account of service with respect to which employee contributions are collected as provided in subparagraphs (A) and (B) of this paragraph (3).

"(d)(1) An employee so assigned and on leave without pay who dies or suffers disability as a result of personal injury sustained while in the performance of his duty during an assignment under this subchapter shall be treated, for the purpose of subchapter I of chapter 81 of this title, as though he were an employee as defined by section 8101 of this title who had sustained the injury in the performance of duty. When an employee (or his dependents in case of death) entitled by reason of injury or death to benefits under subchapter I of chapter 81 of this title is also entitled to benefits from a State or local government for the same injury or death, he (or his dependents in case of death) shall elect which benefits he will receive. The election shall be made within 1 year after the injury or death, or such further time as the Secretary of Labor may allow for reasonable cause shown. When made, the election is irrevocable unless otherwise provided by law.

"(2) An employee who elects to receive benefits from a State or local government may not receive an annuity under subchapter II of chapter 83 of this title and benefits from the State or local government for injury or disability to himself covering the same period of time. This provision does not—

"(A) bar the right of a claimant to the greater benefit conferred by either the State or local government or subchapter III of chapter 83 of this title for any part of the same period of time;

"(B) deny to an employee an annuity accruing to him under subchapter III of chapter 83 of this title on account of service performed by him; or

"(C) deny any concurrent benefit to him from the State or local government on account of the death of another individual.

"§ 3374. Assignments of employees from State or local governments

"(a) An employee of a State or local government who is assigned to an Executive agency under an arrangement under this subchapter may—

"(1) be appointed in the Executive agency without regard to the provisions of this title governing appointment in the competitive service for the agreed period of the assignment; or

"(2) be deemed on detail to the Executive agency.

"(b) An employee given an appointment is entitled to pay in accordance with chapter 51 and subchapter III of chapter 53 of this title or other applicable law, and is deemed an employee of the Executive agency for all purposes except—

"(1) subchapter III of chapter 83 of this title or other applicable retirement system;

"(2) chapter 87 of this title; and

"(3) chapter 89 of this title or other applicable health benefits system unless his appointment results in the loss of coverage in a group health benefits plan the premium of which has been paid in whole or in part by a State or local government contribution.

"(c) During the period of assignment, a State or local government employee on detail to an Executive agency—

"(1) is not entitled to pay from the agency;

"(2) is deemed an employee of the agency for the purpose of chapter 73 of this title, sections 203, 205, 207, 208, 209, 602, 603, 606, 607, 643, 654, 1905, and 1913 of title 18, section 638a of title 31, and the Federal Tort Claims Act and any other Federal tort liability statute; and

"(3) is subject to such regulations as the President may prescribe.

The supervision of the duties of such an employee may be governed by agreement between the Executive agency and the State or local government concerned. A detail of a State or local government employee to an Executive agency may be made with or without reimbursement by the Executive agency for the pay, or a part thereof, of the employee during the period of assignment.

"(d) A State or local government employee who is given an appointment in an Executive agency for the period of the assignment or who is on detail to an Executive agency and who suffers disability or dies as a result of personal injury sustained while in the performance of his duty during the assignment shall be treated, for the purpose of subchapter I of chapter 81 of this title, as though he were an employee as defined by section 8101 of this title who had sustained the injury in the performance of duty. When an employee (or his dependents in case of death) entitled by reason of injury or death to benefits under subchapter I of chapter 81 of this title is also entitled to benefits from a State or local government for the same injury or death, he (or his dependents in case of death) shall elect which benefits he will receive. The election shall be made within 1 year after the injury or death, or such further time as the Secretary of Labor may allow for reasonable cause shown. When made, the election is irrevocable unless otherwise provided by law.

"(e) If a State or local government fails to continue the employer's contribution to State or local government retirement, life insurance, and health benefit plans for a State or local government employee who is given an appointment in an Executive agency, the employer's contributions covering the State or local government employee's period of assignment, or any part thereof, may be made from the appropriations of the Executive agency concerned.

"§ 3375. Travel expenses

"(a) Appropriations of an Executive agency are available to pay, or reimburse, a Federal or State or local government employee in accordance with—

"(1) subchapter I of chapter 57 of this title, for the expenses of—

"(A) travel and per diem instead of subsistence to and from the assignment location;

"(B) per diem instead of subsistence at the assignment location during the period of the assignment; and

"(C) travel and per diem instead of subsistence while traveling on official business away from his designated post of duty during the assignment when the head of the Executive agency considers the travel in the interest of the United States;

"(2) section 5724 of this title, for the expenses of transportation of his immediate family and of his household goods and personal effects to and from the assignment location;

"(3) section 5724a(a)(1) of this title, for the expenses of per diem allowances for the immediate family of the employee to and from the assignment location;

"(4) section 5724a(a)(3) of this title, for subsistence expenses of the employee and his immediate family while occuping temporary quarters at the assignment location and on return to his former post of duty; and

"(5) section 5726(c) of this title, for the expenses of nontemporary storage of household goods and personal effects in connection with assignment at an isolated location.

"(b) Expenses specified in subsection (a) of this section, other than those in paragraph (1)(C), may not be allowed in connection with the assignment of a Federal or State or local government employee under

this subchapter, unless and until the employee agrees in writing to complete the entire period of his assignment or 1 year, whichever is shorter, unless separated or reassigned for reasons beyond his control that are acceptable to the Executive agency concerned. If the employee violates the agreement, the money spent by the United States for these expenses is recoverable from the employee as a debt due the United States. The head of the Executive agency concerned may waive in whole or in part a right of recovery under this subsection with respect to a State or local government employee on assignment with the agency.

"(c) Appropriations of an Executive agency are available to pay expenses under section 5742 of this title with respect to a Federal or State or local government employee assigned under this subchapter.

"§ 3376. Regulations

"The President may prescribe regulations for the administrtaion of this subchapter."

(b) The analysis of chapter 33 of title 5, United States Code, is amended by inserting the following at the end thereof:

"SUBCHAPTER VI—ASSIGNMENTS TO AND FROM STATES

"Sec.
"3371. Definitions.
"3372. General provisions.
"3373. Assignments of employees to State or local governments.
"3374. Assignments of employees from State or local governments.
"3375. Travel expenses.
"3376. Regulations."

REPEAL OF SPECIAL AUTHORITIES

SEC. 403. The Act of August 2, 1956, as amended (7 U.S.C. 1881–1888), section 507 of the Act of April 11, 1965 (20 U.S.C. 867), and section 314(f) of the Public Health Service Act (42 U.S.C. 246(f)) (less applicability to commissioned officers of the Public Health Service) are hereby repealed.

SEC. 404. This title shall become effective sixty days after the date of enactment of this Act.

TITLE V—GENERAL PROVISIONS

DECLARATION OF PURPOSE

SEC. 501. The purpose of this title is to provide for the general administration of titles I, II, III, and V of this Act (hereinafter referred to as "this Act"), and to provide for the establishment of certain advisory committees.

DEFINITIONS

SEC. 502. For the purpose of this Act—

(1) "Commission" means the United States Civil Service Commission;

(2) "Federal agency" means an executive department, military department, independent establishment, or agency in the executive branch of the Government of the United States, including Government owned or controlled corporations;

(3) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States, and includes interstate and Federal-interstate agencies but does not include the governments of the political subdivisions of a State; and

(4) "local government" means a city, town, county, or other subdivision or district of a State, including agencies, instrumentalities, and authorities of any of the foregoing and any combination of such units or combination of such units and a State. A "general local government" means a city, town, county, or comparable general-purpose political subdivision of a State.

GENERAL ADMINISTRATIVE PROVISIONS

SEC. 503. (a) Unless otherwise specifically provided, the Commission shall administer this Act.

(b) The Commission shall furnish such advice and assistance to State and local governments as may be necessary to carry out the purposes of this Act.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in it by this Act, the Commission may—

(1) issue such standards and regulations as may be necessary to carry out the purposes of this Act;

(2) consent to the modification of any contract entered into pursuant to this Act, such consent being subject to any specific limitations of this Act;

(3) include in any contract made pursuant to this Act such covenants, conditions, or provisions as it deems necessary to assure that the purposes of this Act will be achieved; and

(4) utilize the services and facilities of any Federal agency, any State or local government, and any other public or nonprofit agency or institution, on a reimbursable basis or otherwise, in accordance with agreements between the Commission and the head thereof.

(d) In the performance of, and with respect to the functions, powers, and duties vested in it by this Act, the Commission—

(1) may collect information from time to time with respect to State and local government training programs and personnel administration improvement programs and projects under this Act, and make such information available to interested groups, organizations, or agencies, public or private;

(2) may conduct such research and make such evaluation as needed for the efficient administration of this Act; and

(3) shall include in its annual report, a report of the administration of this Act.

(e) The provisions of this Act are not a limitation on existing authorities under other statutes but are in addition to any such authorities, unless otherwise specifically provided in this Act.

REPORTING REQUIREMENTS

SEC. 504. A State or local government office designated to administer a program or project under this Act shall make reports and evaluations in such form, at such times, and containing such information concerning the status and application of Federal funds and the operation of the approved program or project as the Commission may require, and shall keep and make available such records as may be required by the Commission for the verification of such reports and evaluations.

REVIEW AND AUDIT

SEC. 505. The Commission, the head of the Federal agency concerned, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient that are pertinent to the grant received.

DISTRIBUTION OF GRANTS

SEC. 506. The Commission shall allocate funds for grants among the States, and between State and local governments, on a weighted formula taking into consideration such factors as the size of the population and the number of employees affected.

TERMINATION OF GRANTS

SEC. 507. Whenever the Commission, after giving reasonable notice and opportunity for hearing to the State or general local government concerned, finds—

(1) that a program or project has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is a failure to comply substantially with any such provision;

the Commission shall notify the State or general local government of its findings and no further payments may be made to such government by the Commission until it is satisfied that such noncompliance has been, or will promptly be, corrected. However, the Commission may authorize the continuance of payments to those projects approved under this Act which are not involved in the noncompliance.

ADVISORY COMMITTEES

SEC. 508. (a) The Commission may appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, such advisory committee or committees as it may determine to be necessary to facilitate the administration of this Act.

(b) Members of advisory committees who are not regular full-time employees of the United States, while serving on the business of the committees, including traveltime, are entitled to receive compensation at rates not exceeding the daily rate for GS–18; and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.

APPROPRIATION AUTHORIZATION

SEC. 509. To carry out the programs authorized by this Act, there are authorized to be appropriated at any time after its enactment not to exceed $20,000,000 for fiscal year 1968; $30,000,000 for fiscal year 1969; and $40,000,000 for fiscal year 1970.

REVOLVING FUND

SEC. 510. (a) There is established a revolving fund, to be available without fiscal year limitation, for financing training and such other functions as are authorized or required to be performed by the Commission on a reimbursable basis by this Act and such other services as the Commission, with the approval of the Bureau of the Budget, determines may be performed more advantageously through such a fund.

(b) The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized), and such unexpended balances of appropriations or funds relating to the activities transferred to the fund and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Commission may transfer to the fund, less the related liabilities, unpaid obligations, and accrued annual leave of employees who are transferred to the activities financed by the fund at its inception.

(c) The fund shall be credited with—

(1) reimbursements or advance payments from available funds of the Commission, other Federal agencies, State or local governments, or other sources for supplies and services at rates which will approximate the expense of operations, including the accrual of annual leave, the depreciation of equipment, and the net losses on property transferred or donated; and

(2) receipts from sales or exchanges of property and payments for losses or damage to property accounted for under the fund.

(d) Any unobligated and unexpended balance in the fund that the Commission determines to be in excess of amounts needed for its operations shall be deposited in the Treasury as miscellaneous receipts.

LIMITATIONS ON AVAILABILITY OF FUNDS FOR COST SHARING

SEC. 511. Federal funds made available to State or local governments under other programs may not be used by the State or local government for cost-sharing purposes under grant provisions of this Act. State or local government funds used for cost sharing on other federally assisted programs may not be used for cost sharing under grant provisions of this Act.

METHOD OF PAYMENT

SEC. 512. Payments under this Act may be made in installments, and in advance or by way of reimbursement, as the Commission may determine, with necessary adjustments on account of overpayments or underpayments.

EFFECTIVE DATE OF GRANT PROVISIONS

SEC. 513. Grant provisions of this Act shall become effective one hundred and eighty days following the date of enactment of this Act.

The title was amended, so as to read: "A bill to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes."

Mr. MANSFIELD. Mr. President, the Senator from Maine [Mr. MUSKIE] performed an outstanding service by leading the passage of this measure that provides a means to strengthen and enhance intergovernmental cooperation—State, local, and Federal. His long and diligent work in committee, his articulate and persuasive presentation on the floor, assured the Senate's overwhelming approval.

When this proposal is finally enacted into law, it will bear the clear and indelible stamp of Senator MUSKIE. It was his initial interest in developing a strong and effective manpower program to satisfy a vital existing need in local and State governments that will make this program a reality. The Senate is deeply indebted to Senator MUSKIE for again leading the way with his vigorous and highly talented efforts in behalf of a most important legislative measure.

The senior Senator from South Dakota [Mr. MUNDT] is to be commended for his participation in the consideration of this measure. His successful urging of two amendments is highly commendable.

Others joined the discussion and their contributions are greatly appreciated. Notable were the articulate and analytical statements of the senior Senator from New Hampshire [Mr. COTTON], the senior Senator from Florida [Mr. HOLLAND] and the Senator from Michigan [Mr. GRIFFIN]. Their views and the views of many other Senators were, as always most welcome.

Again, to Senator MUSKIE goes our deep appreciation. He and the entire Senate may be proud of taking a step toward the improvement of the efficiency of government at all levels—State, Federal, and local.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1968

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8569, the District of Columbia appropriations bill. I do this so that the bill will become the pending business.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 8569) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock a.m. tomorrow.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 62. An act for the relief of Dr. Pablo E. Tablo;

S. 808. An act for the relief of Dr. Menelio Segundo Diaz Padron;

S. 863. An act for the relief of Dr. Cesar Abad Lugones;

S. 1105. An act for the relief of Dr. G. F. Valdes-Fauli;

S. 1109. An act for the relief of Dr. Ramon E. Oyarzun;

S. 2167. An act for the relief of Dr. Rolando Pozo y Jimenez; and

S. 2192. An act for the relief of Dr. Rafael de la Portilla Lavastida.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4538) for the relief of Dr. John E. Yannakakis.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2757) for the relief of Comdr. Albert G. Berry, Jr.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6418) to amend the Public Health Service Act to extend and expand the authorizations for grants for comprehensive health planning and services, to broaden and improve the authorization for research and demonstrations relating to the delivery of health services, to improve the performance of clinical laboratories, and to authorize cooperative activities between the Public Health Service hospitals and community facilities, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. JARMAN, Mr. ROGERS of Florida, Mr. SPRINGER, and Mr. NELSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6430) to amend the public health laws relating to mental retardation to extend, expand, and improve them, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. JARMAN, Mr. ROGERS of Florida, Mr. SPRINGER, and Mr. NELSEN were appointed managers on the part of the House at the conference.

EXPLANATION OF COMMITTEE ACTION ON H.R. 2

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief press release in explanation of the action taken today by the Committee on Armed Services regarding H.R. 2, to amend titles 10, 14, 32, and 37, United States Code, to strengthen the reserve components of the armed forces, and clarify the status of National Guard technicians, and for other purposes.

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

The Committee on Armed Services voted unanimously to take the following action regarding H.R. 2.

Title I of this legislation will be reported with certain proposed amendments which will be discussed in detail in the Committee report.

With respect to Title II or H.R. 2, the Committee voted unanimously to defer action at this time in order to permit a further review of a number of questions. Senator Stennis emphasized that the nature of the Committee action was not to vote down Title II but to defer it in order to further review the issues involved.

The problems involved in Title II are deeply complicated. It was the consensus of the Committee that action on the technician problem should be completed as soon as possible. The actuarial questions, however, and other problems relating to state retirement systems, possible windfalls, and state-federal relations, which have not been resolved, require additional review. It is hoped that this work can be completed in order to permit committee action relatively early in the next session of the Congress.

Title II of this legislation would convert the National Guard technicians to Federal employees status with recognition for past service for civil service retirement and other employee purposes. Senator Stennis noted that the issue presented by Title II include the following:

(a) The effect of Title II on the federal/State relationship of the National Guard.

(b) The precedent which may be established by Title II with respect to other employee groups now paid wholly or in part from federal funds who may in the future desire inclusion in the civil service retirement system and other federal benefit programs.

(c) The effect of Title II on the employees who might desire to remain within the state retirement system.

(d) the actuarial and cost implications involved in the legislation.

(e) Other possible legislative alternatives for meeting the technician retirement problem.

THE RED MARCH ON THE PENTAGON DURING OCTOBER

Mr. THURMOND. Mr. President, it has always been my contention that the march on the Pentagon, October 21, 1967, was planned by the Communists in the

country and was under their direction and control.

While I recognize that many of the participants in this march do not support the Communist Party of the United States, and perhaps did not realize this episode was just another ploy to weaken our military effort in Vietnam, their ignorance of such matters is no excuse.

The very fact that this demonstration coincided with similar Communist demonstrations in other countries of the world is a clear signal that the bloody hands of the international Communist conspiracy were at work.

All of us know that many college students chartered buses and attended this march here, and I hope that the information being revealed by our newspapers, radio and television will reach these young people for there are ways to dissent without serving the ends of our Communist enemies.

I think that it is way past time we call a spade a spade and a Red a Red. As I speak here in the Senate some American fighting men are being cut down in the prime of their youth by Communist guns and shells. We strengthen the leaders and soldiers of our avowed enemies so long as native citizens support or participate in such foul spectacles as the Red march of October 21, 1967.

While once again it seemed that the national news media overplayed this disgraceful exhibition, it has been gratifying to see that so many of our members in the public communications field have recognized the Communist control in the Red march and are calling it to the attention of the public.

Two such articles include an editorial broadcast on October 27, 1967, by WBTV in Charlotte, N.C., entitled "Red March on the Pentagon." The other was an article entitled "Who Was Among the Protest Leaders" which appeared in the November 4, 1967, issue of Human Events, Washington, D.C.

I ask unanimous consent that these two editorials be printed in the RECORD.

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

RED MARCH ON THE PENTAGON

When Rabbi Richard G. Hirsch, director of the Social Action Center of Reform Judaism, withdrew from last weekend's march on the Pentagon and said it was infiltrated by radical leftists, he revealed again a familiar tactic of Communists.

It is rare that Communists or the Communist Party play an original part in organizing demonstrations or actual insurrections. They stand on the sidelines until a locally inspired disorder gains strength. Then, they move in and capture the leadership of what had been a movement free of Communist influence.

In the United States they are even more cautious. The Communists realize that they are unpopular in this country and that any movement bearing their label would get practically no following among substantial citizens. That's why they infiltrate such activities as the march on the Pentagon and keep their own part in it well under cover.

Happily, Rabbi Hirsch detected this tactic. His organization then refused to have anything to do with the march in Washington this past weekend, though it had exercised its constitutional right to oppose the war in Viet Nam.

But, the Rabbi said, though his group opposes the war on other grounds, they are not prepared to "go along with these people who think that everything the United States does is wrong, and everything Hanoi does is right."

The Rabbi was not alone in condemning this demonstration. The Rev. John Wells, pastor of Mount Vernon Unitarian Church of Alexandria, Va., took some part in earlier discussions of the march; but he withdrew because he had grave misgivings about some of the people who were running the show.

One of those persons was the chief organizer of the march, Dave Dellinger, who has publicly described himself as a non-Soviet Communist. We are still trying to figure out what that is, but if he is any kind of Communist, his sympathies will be with North Viet Nam. Russia and China are almost at each other's throats, so vigorously that a permanent rift between them is confidently predicted. But on the subject of Viet Nam they see eye to eye. Russia supplies the North Vietnamese with all materials of war, and China furnishes a large part of the transportation over its railroads from the Soviet border to Hanoi.

According to United Press International in an article written by its senior editor, Louis Cassels, the march on the Pentagon was planned at a meeting five months ago, which included four high officials of the Communist Party, representatives of the Trotskyite Socialist Workers Party, and other Marxist groups oriented towards Red China.

The march on the Pentagon showed the communist handiwork, and we think the public should be fully aware of it.

[From Human Events, Nov. 4, 1967]

WHO WAS AMONG PROTEST LEADERS

Congressional files disclose long records of pro-Communist activity for almost every leader of the Pentagon demonstration. Avowed Marxists, self-proclaimed Black Nationalists, ardent "pacifists," the protest leaders have repeatedly worked with the Communists in the past. For example:

David Dellinger, chairman of the sponsoring National Mobilization Committee to End the War in Viet Nam, is a professional pacifist who has been quoted as describing himself as a "non-Soviet-line Communist." Dellinger, a 52-year-old Yale graduate, has defied U.S. travel bans for trips to Cuba, Red China and North Viet Nam. His passport was revoked last year for an illegal junket to Hanoi in which he conferred with Ho Chi Minh. It was returned when he promised not to return to North Viet Nam. A man of his word, Dellinger showed up in Hanoi this summer.

Jerry Rubin, co-director of the march, is a self-styled revolutionary who has been active in California demonstrations aimed at halting troop trains. Rubin has close ties to the pro-Peking Progressive Labor party, visited Cuba on a PLP-sponsored trip in 1964. He has suggested that "treason, deliberate sabotage of the war machine" may be used as an anti-war tactic.

John Wilson, march co-director, is an official of the militant Student Nonviolent Coordinating Committee. An outspoken black power advocate, he recently conferred with North Vietnamese and Viet Cong representatives in Prague, Czechoslovakia.

Dagmar Wilson, co-chairman of the Mobilization, is founder of Women Strike for Peace. A Washington housewife, she has huddled with top North Vietnamese officials on "peace" strategy, terms the anti-war movement in this country a "second front" in what she calls Viet Nam's fight against U.S. "aggression."

Arnold Johnson, public relations director of the Communist party, worked on the Pentagon protest for months. A member of the party's National Committee, he is known to have been in contact with Lee Harvey Oswald prior to the assassination of President Kennedy.

Walter Teague III, a New York fund-raiser for the Viet Cong, led the Pentagon charge against the troops. Teague, who peddles Viet Cong flags to help make a living is affiliated with the Revolutionary Contingent, a group openly committed to violence in the global struggle against U.S. "imperialism."

Among the groups actively participating in the protest were the Communist Party U.S.A., and its youth front group, the W.E.B. DuBois Clubs, the subversive Socialist Workers party, the Peking-line Progressive Labor party, the Student Nonviolence Coordinating Committee, Former Peace Corps Members for Peace, Students for a Democratic Society, the Iranian Students Association, the Committee for Independent Political Action, Women's International League for Peace and Freedom and Black Mask.

THE 50TH ANNIVERSARY OF RUSSIAN COMMUNISM

Mr. THURMOND. Mr. President, the October 29 issue of the News and Courier newspaper of Charleston, S.C., publishes an article entitled "The Great Soviet Deception." In this commendable article, Mr. Jenkin Lloyd Jones discusses the accomplishments and failures of the Soviet Union after 50 years of communism.

He points out how the Communist leaders control internal revolt through suppression of unrest by purges, assassinations and reeducation camps. They shut off comparisons with the outside world by censorship, incessant propaganda and control of education.

In spite of what appears to be on the surface significant accomplishments of communism, Mr. Jones calls attention to the great rift between the Soviet Union and the Chinese Peoples Republic. Among other indications of its failure is the rising cynicism and disillusionment of Russian youth.

It is particularly interesting to see the author conclude that communism is a great deception and a fraud which celebrates its 50th anniversary but which will not see its centennial.

I ask unanimous consent that this editorial be printed in the RECORD.

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

THE GREAT SOVIET DECEPTION

(By Jenkin Lloyd Jones)

November 7 marks the 50th anniversary of the most successful bunco game in the history of human society—the Soviet state.

It is successful—not that it delivered on its promises, not that it came within a country mile of its announced goal of a classless society, not that it accomplished a "withering away of the state" and any degree of freedom from central authority—because it has survived.

It survived by the development of a technique for keeping people under its control from effectively challenging the system and for keeping people not under its control confused and off balance. They represent the twin triumphs of the Soviet system.

These accomplishments, remarkable as they are, are thin and shoddy. They represent not progress, but a rebirth of the ancient Egyptian system in which the Pharaoh, representing the state, owned everything and all worked as his servants. It is a system that has never been able to tolerate

an organized opposition. It cannot live with freedom of speech, assembly, press or protest.

As with any system of autocratic control—monarchial, Fascist or Communist—there can be and have been accomplishments. Louis XIV stretched forth his hand and medieval Paris was transformed. Adolf Hitler regimented a nation, and assembly lines were filled even as were the concentration camps. As to the Soviet achievements, perhaps Arthur Schlesinger Jr. said it best:

"The one contribution that communism can theoretically make to economic development is, ironically, the very thing for which Marx condemned laissez faire capitalism of the 19th century: that is, its capacity to accelerate development by grinding the faces of the poor. By holding down mass living standards and depriving the workers of the produce of their labor, communism can sweat investment capital, as it has done in Russia and China, out of the hides of the working class. In parodoxical fact, it is communism which has provided the best means known to history for the exploitation of the proletariat."

How has communism gotten away with it all these years?

To curb internal revolt two obvious devices were used—the suppression of unrest through purges, show trials, assassination and "re-education camps" and the choking off of damaging comparisons with the outside world by censorship, travel restrictions, incessant pro-Communist propaganda and rigid control of education.

But the Soviet leaders understood that the destruction of internal opposition was only half the battle. The primary objective was the expansion of the Communist system to all the world. This required a variety of techniques, chief among which were:

1. The "overawe" treatment. Soviet ships in foreign trade are the best painted and most prosperous looking of all merchant navies. Soviet space achievements are played fortissimo. Soviet exhibits in international fairs and expositions are models of the hard sell. And the "invincibility" of Soviet military might is trumpeted.

2. The double standard of "freedom." All constitutional guarantees in free nations are appealed to keep the Communist-lining professor on the public payroll. But once communism becomes triumphant—as in Cuba—freedom vanishes. The rationale is that ultimate truth, once it has triumphed, does not have to tolerate "error."

3. The paralysis of the "liberals." This is the doctrine that no one belonging to a less-than-perfect society may criticize Communists. Communist-liners in all Western nations continually pluck that string. The argument works wonderfully on some preachers.

4. The marshalling in the Communist interest of discontent from any cause. Communists attempt to provide direction to all dissidents in non-Communist nations, however varied the grievances. The current effort to bend the civil rights movement in America to further Communist policy in Southeast Asia is an example.

In spite of all this, communism is in trouble—deep trouble.

There is, of course, the schism between Moscow and Peking which has shaken the monolithic structure of the movement. Soviet citizens are now wondering out loud what has happened to the delivery wagon. There is rising cynicism and disillusionment among Russian youth. As Eugene Lyons points out in his brilliant new book, "Workers Paradise Lost," all Soviet political heroes since Lenin have been denounced as rascals by their successors.

But most significant was the report to the Party Plenum two years ago by Soviet Premier Alexei Kosygin. He said:

"The forms of industrial management, planning and incentives now in effect no longer conform to present-day technical-economic conditions. Only the supreme criteria of economic activity—profit and profitability—could reflect the real level of work in an enterprise."

The fraud won't see its centennial.

CRIME-CONTROL LEGISLATION

Mr. THURMOND. Mr. President, one of the most serious domestic problems facing our Nation today, if not the most serious, is the breakdown in law and order. I have discussed this matter on numerous occasions both on the Senate floor and elsewhere. Many steps need to be taken to maintain law and order and reinstate respect for the rule of law in our country.

One of the first orders of business of this Congress is to adopt some legislation which would have a two-pronged effect. First, it would show that Congress is concerned about the problem and is determined to take some definite steps to correct it. Second, the substantive provisions of the legislation should be calculated to assist the different law enforcement agencies of the country in the best manner possible.

The Criminal Laws and Procedures Subcommittee of the Senate Committee on the Judiciary has labored long and diligently in an effort to draft legislation to accomplish both of these purposes. The bill, S. 917, the Omnibus Crime Control and Safe Streets Act of 1967, has now been reported to the full Judiciary Committee for further consideration. Without going into great detail on the specific items contained in the bill, it will suffice to say that there are provisions which will be immediately very helpful in combating crime if they are adopted. There are other portions of the bill which must be worked out in the full committee, and the most important of these is the provision concerning the nature of the grants which the Federal Government will make to support local efforts. I firmly and enthusiastically support the block grant concept and hope that this approach will be adopted by the full Judiciary Committee.

On this question, the Governors of the 50 States overwhelmingly support the block grant concept. I have received a letter from the director of the National Governors' Conference concerning this bill and actions taken in connection with this bill at the recently concluded annual meeting of the National Governors' Conference on board the SS *Independence*.

Mr. President, I ask unanimous consent that a copy of the letter from Mr. Charles A. Byrley dated November 6, 1967, be printed in the RECORD, as well as four resolutions adopted by the Governors at their conference on the subject of crime and anti-crime legislation.

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

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., November 6, 1967.

Hon. STROM THURMOND,
Committee on Judiciary, U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR THURMOND: In late August, the distinguished Chairman of the Subcommittee on Criminal Laws and Procedures wrote to the fifty Governors inviting their views on the two law enforcement and criminal justice bills then before the Subcommittee (S. 917 and H.R. 5037). The Governors were specifically asked to comment on the House bill provisions for: (1) block grants to the states; (2) a view that unnecessary delay would result if local grants were made through an appropriate state agency after a statewide plan was developed; (3) the establishment of regional institutes for law enforcement; and (4) the provision of $25 million for riot control programs.

The States' Chief Executives welcomed this opportunity to express their views on the currently proposed legislation to strengthen law enforcement and criminal justice. Thirty-five Governors responded directly to the Subcommittee Chairman, while others have expressed their views through resolutions at the recent Governors' Conferences.

Enclosed is a staff summary of these letters (Digest of Governors' Views), and also provided are copies of relevant resolutions. Briefly, the Governors express the following viewpoints: (1) they unanimously favor the block grant provisions of the House-passed bill rather than the project-by-project approach with direct federal-local grants that by-pass the states; (2) agree that there would be no unnecessary delay in implementing the program because of the requirement of a state plan and state approval of local government applications; (3) the majority oppose the regional institute because they feel the need of the hour is to improve state training programs before we start new multi-state regional programs; and (4) expressed reserved judgment on the riot control provision of the House-passed bill because of a lack of sufficient detail in the bill itself on this provision.

Rarely have the views of the Nation's Governors been so complete and so unanimous on a controversial subject such as federal assistance for law enforcement and criminal justice. I sincerely hope these factors will be carefully weighed in your decisions on S. 917 "Omnibus Crime Control and Safe Streets Act of 1967."

Sincerely yours,

CHARLES A. BYRLEY.

[Adopted by the National Governors' Conference, 59th annual meeting, SS *Independence*, Oct. 20, 1967]

V. STATE COORDINATION OF FEDERAL ASSISTANCE PROGRAMS

Whereas, the geographical areas of major problems facing local governments today go beyond the boundaries of single local jurisdiction; and

Whereas, the States bear the primary responsibility for coordinating all forms of technical and financial programs to insure the optimum final benefits in services and facilities; and

Whereas, there are now more than forty federal assistance programs to local government jurisdictions that provide for no involvement by state governments;

Now, therefore, be it resolved that the National Governors' Conference requests that any new federal-local assistance programs adopted by the Congress be drafted so that the interest and participation of the States be included and that remedial legislation be adopted to give the States a participating interest in existing federal-local assistance programs that by-pass the States.

[Adopted by the National Governors' Conference 59th Annual Meeting, S.S. *Independence*, Oct. 20, 1967]

X. CIVIL DISORDERS AND LAWLESSNESS

Whereas, during the past two years a tragic series of disorders have plagued our Nation, turning the streets of our cities into battlegrounds and resulting in the loss of life and destruction of property; and

Whereas, the occurrence of crime of all types in the United States is showing a tendency to increase; and

Whereas, one of our colleagues, Governor

Otto Kerner of Illinois, is currently chairman of a committee appointed by the President of the United States to investigate the basic causes of violence and unlawfulness; and

Whereas, this Conference has received and considered the excellent report prepared by the committee headed by Governor John Dempsey of Connnecticut:

Now, therefore, be it resolved that the Governors of the several States meeting in the National Governors' Conference and being fully cognizant of the obligation of the States do hereby affirm that:

1. The enforcement of law and the preservation of order is primarily the responsibility of local and state governments.

2. We will strengthen all efforts at state and municipal levels to prevent incidents of disrespect for law and order.

3. Each State should immediately re-examine its own laws to ascertain if current statutes are adequate to deal with civil disorder and crime and that, where necessary, laws should be strengthened and revised.

4. All Governors should immediately determine as an immediate step that the police forces of the respective States and municipalities and the National Guard are well trained to cope with civil disorder.

5. The first obligation of the state and municipal governments in the event of civil disorder is to restore and maintain peace and order by the use of whatever force is reasonably necessary.

6. While seeking immediate short-range treatment of the symptoms, we pledge ourselves to seek the long-range answers to cure the basic causes of crime and civil disorder so that the malice and hatred which a reckless few would use as a torch to ignite civil disorders amid the wretchedness and squalor of our ghettos and slums would no longer find a foothold in these neighborhoods.

7. We recognize that the most effective long-term answer to problems of lawlessness and disorders lies in education and the providing of employment opportunities to the masses of our people.

8. While the primary obligation for the combatting of crime and the prevention of riots and disorder lies with state and local governments, there are many aspects of the problem which transcend state lines and which require effective treatment by the federal government. We pledge ourselves as Governors to seek effective control by the federal government and effective cooperation by the state and local governments with the federal government in the control of the interstate traffic in narcotics and other contraband material, the interstate operation of criminal syndicates and the interstate movement of those who make a profession of inciting and creating civil strife, disorder and lawlessness.

[Adopted at the 33d annual meeting of the Southern Governors' Conference, Asheville, N.C., Sept. 13, 1967]

RESOLUTION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

Whereas, the problems of crime and civil disobedience are increasing at an alarming rate; and

Whereas, the prevention and control of crime, the effective operation of law enforcement, and the guarantee of criminal justice are responsibilities that require cooperative efforts among all levels of government; and

Whereas, the United States Congress is now considering the Law Enforcement and Criminal Justice Assistance Act of 1967 (H.R. 5037) and the Safe Streets and Crime Control Act of 1967 (S. 917) which are designed to assist state and local governments in improving their law enforcement and criminal justice programs:

Now, therefore be it resolved that the Southern Governors' Conference calls upon the United States Congress to urgently proceed with their consideration of S. 917 and H.R. 5037 with due regard to the following principles:

1. that the federal government should not by-pass the state in dealing with local governments in urban areas, but rather deal with small and large local governments in the same manner, through an appropriate state agency designated by the Governor; and

2. that the Act provide for a State Advisory Council to be appointed by the Governor, primarily representative of local governments, that will advise and report to the Governor; and

3. that the Act ensure full participation and funding for local government plans and projects in cooperation with the state agency administering the Act.

Be it further resolved that copies of this resolution be transmitted to the President, the United States Attorney General, and members of the United States Congress now considering this legislation.

[Adopted at the Sixth Annual Midwestern Governors' Conference, Lake of the Ozarks, Mo., Aug. 27–30, 1967]

RESOLUTION VII—LAW ENFORCEMENT AND CRIMINAL JUSTICE ASSISTANCE ACT OF 1967

Whereas, the Law Enforcement Assistance and Criminal Justice Act of 1967 (H.R. 5037) is now being considered for passage by the United States Senate; and

Whereas, it is most appropriate that control of the administration of this Act in the States be placed in the Office of the Governor or other executive agency; and

Whereas, the Law Enforcement Assistance and Criminal Justice Act of 1967 would place this control in the State Governor's Office:

Now, therefore, be it resolved that the Midwestern Governors' Conference supports H.R. 5037 and urges Senate passage of this Act as amended and passed by the United States House of Representatives; and

Be it further resolved that all States be encouraged to immediately establish or strengthen an existing program to provide for full and prompt implementation of the Law Enforcement Assistance and Criminal Justice Act of 1967; and

Be it further resolved that copies of this resolution be transmitted to the President, U.S. Attorney General, and all members of the United States Senate.

THE PUBLIC BROADCASTING ACT OF 1967—A JOHNSON LEGACY FOR ALL AMERICANS

Mr. PELL. Mr. President, never has the concern of a President for the spirit of a people been so dramatically highlighted than in the passage and signing of the Public Broadcasting Act of 1967.

Lyndon B. Johnson has bequeathed to the Nation a new instrument of government whose benefits will be felt for generations to come.

The Corporation for Public Broadcasting, established by this act, places the voice of the American people in a productive relationship to the great medium of television.

The new Corporation will assist, help finance and support local educational television stations throughout the land.

It will invest public funds in experimental educational and cultural programs to enlighten each citizen of our country.

It will serve as an educational and social tool of far-reaching consequences in science, in the classroom, in public services, in all those areas which distinguish a progressive civilization from a backward one.

The Congress of the United States which supported this bill almost unanimously deserves the plaudits of all our citizens.

The President who labored for the successful enactment of this measure deserves our thanks for a good job well done.

I ask unanimous consent to insert in the RECORD the remarks made by President Johnson as he signed the Public Broadcasting Act of 1967 at the White House on November 7.

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

TEXT OF THE REMARKS OF THE PRESIDENT AT THE SIGNING OF THE PUBLIC BROADCASTING ACT

In 1844, Congress authorized $30,000 for the first telegraph line between Washington and Baltimore. Soon afterward, Samuel Morse sent a stream of dots and dashes over that line to a waiting friend. His message was brief and prophetic. It read: "What hath God wrought?"

Every one of us should feel that same awe and wonderment today. For now, miracles in communication are our daily routine. Every minute, billions of telegraph messages chatter around the world; billions of signals rush over the ocean floor and fly above the clouds. Radio and television fill the air with sound. Satellites hurl messages thousands of miles in an instant.

Today our problem is not making miracles—but managing miracles. We might well ponder a different question: What hath man wrought—and how will man use his inventions?

The law I sign today offers one answer to that question. It announces to the world that our nation wants more than material wealth; more than a "chicken in every pot." We have an appetite for excellence too.

While we work to produce new goods and create new wealth, we want most of all to enrich man's spirit. That is the purpose of this Act.

It will give a wider and stronger voice to educational radio and television by providing new funds for broadcast facilities.

It will launch a major study of television's use in the nation's classrooms.

Finally—and most important—it builds a new institution: the Corporation for Public Broadcasting.

This corporation will assist stations and producers who aim for the best in broadcasting: good music, exciting plays, reports on the whole fascinating range of human activity. It will try to prove that what educates can also be exciting.

It will get part of its support from the government. But it will be carefully guarded from government or party control. It will be free and independent—and it will belong to all the people.

Television is still a young invention. But we have learned already that it has immense—even revolutionary—power to change men's lives. I hope that those who lead the Corporation will direct that power toward great, not trivial purposes.

At its best, public television would help make our nation a replica of the old Greek marketplace, where public affairs took place in full view of the citizens. But in weak or irresponsible hands, it could generate controversy without understanding; it could mislead as well as teach; it could appeal to passions rather than to reason.

If public television is to fulfill our hopes, the Corporation must be representative, responsible—and long on leadership. I intend to nominate men and women of outstanding ability.

What hath man wrought? And how will

man use his miracles? The answer just begins with Public Broadcasting.

In 1862, the Morrill Act set aside land in every state—land which belonged to the people—to build the Land Grant Colleges. Today we rededicate part of the air waves—which belong to the people—for the enlightenment of the people.

I believe the time has come to stake another claim in the name of all the people; a claim upon the combined resources of communications. The time has come to enlist the computer and the satellite, as well as television and radio in the cause of education.

We must consider ways to build a great network for knowledge—not just a broadcast system, but one employing every means of sending and storing information.

Think of the lives it coud change:

The student in a small college could tap the research resources of a great university;

The country doctor could get help from a distant laboratory or teaching hospital;

A scholar in Atlanta might draw instantly on a library in New York;

A famous teacher could reach with ideas and inspiration into a far-off classroom, so that no child need be neglected.

Evenually, this Electronic Knowledge Bank could be at least as valuable as the Federal Reserve Bank. And such a system could involve other nations, too—in a partnership to share knowledge and enrich mankind.

A wild and visionary idea? Not at all. Yesterday's strangest dreams are today's headlines, and change is getting swifter. I have already called upon my advisors to explore the possibility of a network for knowledge—and to draw up a blueprint for achieving it.

In 1844, when Henry Thoreau heard about Mr. Morse's telegraph, he made a sour comment about the race for faster communication. "Perchance," he warned, "the first news which will leak through into the broad, flapping American ear will be that the Princess Adelaide has the whooping cough." I am not such a skeptic. I believe we have important things to say to one another—and the wisdom to match our technical genius. In that spirit, I sign the Public Broadcasting Act of 1967.

A GRIM REMINDER: LIST OF NATIONS WHICH ARE PARTIES TO THE CONVENTION ON THE POLITICAL RIGHTS OF WOMEN

Mr. PROXMIRE. Mr. President, as is common knowledge by now, the Foreign Relations Committee on October 11, voted to table any further consideration of the Convention on the Political Rights of Women.

This action by the committee continues both to puzzle and anger advocates of U.S. ratification of the human rights conventions. The United States, through the inaction of the Foreign Relations Committee, remains in the company of Spain, Yemen, Saudi Arabia, Iran, Iraq, Algeria, Union of South Africa, the United Arab Republic, and Burma, as nations which have refused to ratify the Convention on Political Rights of Women.

Because I believe it would be of great interest to my colleagues and to the American people, I ask unanimous consent that a list of the countries which are parties to the Convention on Political Rights of Women be printed in the RECORD.

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

FIFTY-FOUR COUNTRIES WHICH ARE PARTIES TO THE POLITICAL RIGHTS OF WOMEN CONVENTION

Afghanistan, Albania, Argentina, Belgium, Brazil, Bulgaria, Byelorussia, Canada, Central African Republic, China, Congo (Brazzaville) Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador.

Finland, France, Gabon, Ghana, Greece, Guatemala, Haiti, Hungary, Iceland, India, Indonesia, Israel, Jamaica, Japan, Lebanon, Madagascar, Malawi, Mongolia.

Nepal, Nicaragua, Niger, Norway, Pakistan, Philippines, Poland, Republic of Korea, Rumania, Senegal, Sierra Leone, Sweden, Thailand, Trinidad and Tobago, Turkey, Ukraine, USSR, United Kingdom, Yugoslavia.

MILWAUKEE, A GREAT BASEBALL CITY, DESERVES MAJOR LEAGUE CLUB

Mr. PROXMIRE. Mr. President, Milwaukee, the largest city in my home State of Wisconsin, is a truly great baseball town.

From 1955 to 1961, the people of Wisconsin supported our National League team, the Milwaukee Braves, with a loyalty and attendance unmatched by any other city in the league.

In a display of callousness and ingratitude practically unequaled in professional sports, the owners of the Braves began negotiating in 1962 to transfer the team from Milwaukee to Atlanta.

The Braves left Milwaukee bag and baggage after the 1965 season to head for the previously untapped television market on the Southeastern States, Milwaukee, which had been the league's bread and butter town for almost a decade, was treated with total disregard.

The prime argument against a Milwaukee franchise ever since the imminent departure of the Braves became public knowledge has been the lack of a television market in Wisconsin.

The argument ran along these lines: Chicago is only 90 miles to the south, Detroit and Lake Michigan are on the east, the Minnesota Twins have the western frontier all sewed up. There is just no television and radio market for a Milwaukee team.

Mr. President, this specious argument can be put to rest once and for all. Robert A. Uihlein, Jr., president of the Joseph Schlitz Brewing Co., yesterday made a guaranteed offer of $1.1 million annually for 3 years for the television rights for a Milwaukee team.

This offer would put Milwaukee among the top four of the 20 major league teams in this department.

In addition to the guaranteed offer by Schlitz, the Milwaukee County Board has made a tremendously generous rental offer to any major league team which comes to Milwaukee.

Under the county board's proposal, the team would play at Milwaukee County Stadium, which would be enlarged in seating capacity from 45,000 to 55,000, for the annual rental fee of $1 per year for 25 years. The very modest rental charge would be 5 percent of all gross ticket revenue on admissions sold between 1 million and 1.5 million, 7 percent of the ticket revenue between 1.5 million and 2 million, and 10 of all attendance over 2 million.

Furthermore, the Milwaukee team would receive all the revenue from parking at the Milwaukee County Stadium.

The zest and loyalty of Wisconsin baseball fans has been proved time and again. Milwaukee and Wisconsin not only deserve a major league baseball team, but after the offers which were made to major league baseball yesterday by the Milwaukee County Board and the Schlitz Brewing Co., any future unwillingness on the part of organized baseball to grant Milwaukee a franchise is totally indefensible.

ABOLITION OF CAPITAL PUNISHMENT

Mr. HART. Mr. President, for several years now, a number of us have proposed that Congress abolish capital punishment for Federal crimes. "An eye for an eye, a tooth for a tooth" was pretty harrowing reading when first written. It is not the mark of a society that has advanced to the point of ours today.

Crime in the streets is something that is so much a preoccupation—and understandably so—that people caution us about getting up and talking about eliminating capital punishment. They say it is politically dangerous and that it will not sell. I do not agree with either point, actually. I think that we should be reminded, in terms of political implications, that a very recent Gallup poll shows that a very substantial majority of Americans, insofar as a poll can establish it, do accept the notion that we serve not the cause of community stability at all when we keep on our law books the right to put somebody to death, be it by rope or pill or chair.

I was struck by two very recent newspaper comments, and I ask unanimous consent that they may be made a part of the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HART. One was an article from the Detroit News of Sunday, November 5, and the second was an editorial from the Washington Post of yesterday, November 6.

The first article reports the happy news from our friendly neighbor to the north, Canada, that Canada is moving slowly, but steadily, toward the abolition of capital punishment for murder.

The second, an editorial, discusses the dilemma which a defendant charged with violation of the Lindbergh Kidnaping Act faces. After analyzing its complications and possible constitutional problems, the Post concludes editorially:

> The best way to correct all the statutes carrying this defect would be to eliminate the death penalty.

That is exactly what the Federal Government should do. That is what we in Congress should do.

We cannot reach the practices of the several States, but the Federal criminal laws provide for capital punishment in a number of instances. We should eliminate them. We are going to sooner or later, and the sooner, the better. When-

ever it is, it will be very late by the clock of history.

We know the arguments: How can we justify taking a man's life? We are told that is the way to deter crime. It is a deterrent. Therefore, society is justified in doing it.

Mr. President, you can make statistics play any song you want, but I have seen no statistic that establishes the proposition that capital punishment—the execution of a murderer—stops the next murder. Indeed, Mr. President, you compare the statistics of States which provide for capital punishment against the statistics of States which do not permit capital punishment, and the murder rates in the noncapital States are a shade lower than those in the capital States.

We abolished capital punishment in Michigan 100 years ago. Our neighbor Illinois and our neighbor Ohio have such punishment. Our murder rate is lower than theirs. The figures just do not justify our using the excuse that capital punishment deters murder.

The other reason for sanctions in the law is to rehabilitate the criminal. I have not heard anybody argue that capital punishment rehabilitates the criminal.

There is another sobering factor about this. Some mistakes we make in life we can correct, but we cannot correct the situation that applies if a man has been executed by mistake. And that has happened, too, in our history. That explains why some States got around to abolishing capital punishment. They discovered—and imagine the shock—that they had executed an innocent man.

There are good citizens in this country who are begininng to give voice to these concerns. The very able former Governor of Ohio, who, as the Governor of Ohio, had to face the problem of whether to commute death sentences or not, is the chairman of the National Committee To Abolish the Federal Death Penalty, which is determined to persuade the Congress that we shall eliminate capital punishment for a Federal crime. Michael V. DiSalle, who has played many other useful roles in the past two decades, is now giving voice and leadership to this concern, joined by many other good and distinguished citizens.

As a matter of fact, 73 nations have abolished capital punishment.

Mr. President, you can mark the advance of a society in many ways—how concerned it is for its children; how sensitive and effective it is in responding to the concerns of its elderly. We can get great grades on those tests, if we want to. But if we do all of these things, but fail to correct this business of capital punishment, history's verdict will note it. Quite aside from what history will say about us, it is to our contemporary comfort that we would be infinitely better off to say we understand whatever may have been said for that practice on the frontier, or 2,000 years ago; today we understand each other well enough, our motives, and our emotions, that we would be better off to be rid of this law.

I again appeal to my colleagues that we give thought to this. We are going to do it some day. Let it be as soon as possible.

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

Mr. HART. I am delighted to yield?

Mr. MUSKIE. I would like to take this opportunity to compliment the distinguished Senator from Michigan upon the case which he has made for the abolishment of capital punishment, based upon the experience of my State, as well as to support the argument which he has so effectively made.

Maine abolished capital punishment back in the 19th century, the early 1870's. Nothing in our experience as a State since that time has caused us to regret that action. Of course, we cannot prove anything negatively, so we cannot prove what would have been our experience had that action not been taken. But I think the case made by the distinguished Senator is irrefutable from my point of view, and I would like to take this opportunity to compliment him upon making that case this afternoon.

Mr. HART. I thank the Senator from Maine, not just for his kind words, but for his cosponsorship of the legislation which is before us that would achieve this objective. With his support and that of others who have supported us, I hope the day is not long down the road when we will act affirmatively.

EXHIBIT 1

[From the Detroit News, Nov. 5, 1967]

END OF THE DEATH PENALTY WEIGHED IN OTTAWA

(By Greg Connolley)

OTTAWA.—Canada is moving slowly but steadily towards abolishing capital punishment for murder.

The latest trend is a proposal by the federal government to limit capital punishment on a five-year experimental basis, to the murder of police officers, sheriffs and prison guards.

In Canada the criminal code is within the jurisdiction of the federal government at Ottawa; the administration of the code rests with the provinces.

The Canadian Parliament determines the punishment for murder and this decision is effective all across Canada.

Presently there are two murder categories in the criminal code—capital and non-capital murder. The first is described as a deliberate act; noncapital covers murders committed in the heat of passion without premeditation. However, the death sentence has not been applied in Canada since the Liberal government of Prime Minister Lester Pearson took office in April, 1963. Thus far the federal cabinet has commuted to life imprisonment the hanging sentences of 27 convicted murderers.

A private member's bill was introduced in the House of Commons last year calling for the abolition of capital punishment.

Pearson voted for it and so did Solicitor-General Larry Pennell, the cabinet minister who makes the recommendation for commutation of death sentences.

But the legislation was defeated 143 to 112—this was a free vote when members of Parliament voted according to conscience and without party discipline.

The reasons for the defeat included concern that abolition of the hanging sentence could mean an open season by hardened criminals on policemen.

A new bill introduced in the House of Commons by Pennell is intended to meet this objection. The long walk to the scaffold will still be in order for anyone killing a policeman or other peace officer.

At the time of the capital punishment debate last year many legislators also voted against abolition because they were perturbed by the prospect of murders with life terms getting out on parole after 10 years or so in a penitentiary.

KIDNAPING LAW

Both Congress and the country ought to watch the outcome of the kidnap case that will come before the Supreme Court for argument this week. The case involving the kidnaping of John J. Brant III—allegedly by Charles Jackson and John A. Walsh Jr.—is before the Supreme Court because a Federal district court held the Federal Kidnaping Act, under which the charges were brought, to be unconstitutional. Congress may find it necessary to rescue this important act by removing its infirmities.

Congress passed this law after the famous Lindbergh kidnaping to provide stiff penalties for abductors who take their victim across state lines. Anyone convicted under the law may be imprisoned for any term of years or for life. The penalty becomes death if the victim is injured or killed and if a jury recommends execution. The lower court ruled that this provision for a more severe penalty if the defendants are tried by a jury has the effect of impairing their right to jury trial. If they should plead guilty, they could not be executed, but if they should insist on a jury trial the result could be capital punishment.

The Department of Justice contends that the predicament of the defendants is not worsened by asking for a jury, that even if they pleaded guilty the judge could then empanel a jury and ask for recommendations for sentencing. It is also argued that the trial judge need not accept a jury's recommendation of capital punishment. Whatever the Supreme Court may decide on grounds of constitutionality, the Government should not ask a man to choose between pleading guilty with a lesser penalty and asking for a jury trial that might lead to his execution. Several other laws on the books pose the same unfortunate alternatives. There should be no point anywhere in the law that a demand for a jury trial may entail heavier punishment.

The best way to correct all the statutes carrying this defect would be to eliminate the death penalty.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore (Mr. METCALF):

S. 219. An act to authorize the Secretary of Agriculture to sell certain land in Lander, Wyo., and for other purposes;

S. 423. An act authorizing the use of additional funds to defray certain increased costs associated with the construction of the small-boat harbor at Manele Bay, Lanai, Hawaii, and for other purposes;

S. 1391. An act to cancel certain construction costs and irrigation assessments chargeable against lands of the Fort Peck Indian Reservation, Mont.;

S. 2179. An act to extend for 3 years the special milk programs for the Armed Forces and veterans hospitals; and

S. J. Res. 114. Joint resolution extending the duration of copyright protection in certain cases.

NATIONAL RESOURCE DEVELOPMENT POLICY AND THE DICKEY-LINCOLN SCHOOL PROJECT

Mr. MUSKIE. Mr. President, Wednesday, October 25, the House of Representatives voted to reject a compromise appropriation for the Dickey-Lincoln School project on the upper St. John River in the State of Maine. It was an unfortunate action, which reflected misunderstandings as to the value of the project to Maine and the rest of New England, a departure from our basic national resource development policy, and pressures from a powerful group of lobbyists organized on a national scale.

Earlier I had something to say about the kind of tactics and pressures that have been utilized by the private power lobby over the past 3 years in opposition to this project.

I should like to make the record this afternoon with respect to one of the latest of such efforts exerted by that lobby. What I have to say has to do with the activities, the testimony, and the statements of Mr. Albert A. Cree, who is chairman of the Electric Coordinating Council of New England.

On May 11 of this year, Mr. Cree made a statement to the Subcommittee on Public Works of the Senate Appropriations Committee relating to the economic feasibility of the Dickey-Lincoln School project. The distinguished chairman of that subcommittee requested that the Federal Power Commission, and specifically its Bureau of Power, make an analysis of that statement by Mr. Cree for the benefit of the subcommittee.

Under date of June 12, 1967, the Federal Power Commission submitted to the Senator from Louisiana [Mr. ELLENDER] a memorandum report prepared by the Federal Power Commission's Bureau of Power, analyzing Mr. Cree's statement to the subcommittee. I ask unanimous consent that that memorandum report be printed in the RECORD at this point.

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

FEDERAL POWER COMMISSION,
Washington D.C., June 12, 1967.

HON. ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR ELLENDER: As requested in your letter of May 13, 1967, we have had our staff analyze the testimony on the Dickey-Lincoln School project presented by Mr. Albert A. Cree, Chairman, Electric Coordinating Council of New England. The staff analysis and comments are included in the enclosed memorandum report. The analysis is based principally on staff studies made in December 1966 for the Survey and Investigation Staff, House Appropriations Committee.

The Commission has previously considered the Dickey-Lincoln School project, and in 1964 reported to the Secretary of the Interior that the proposed development was economically well justified and merited early construction. The current staff studies support this conclusion.

Sincerely,

LEE C. WHITE,
Chairman.

MEMORANDUM REPORT PREPARED BY THE FEDERAL POWER COMMISSION'S BUREAU OF POWER ANALYZING A STATEMENT MADE BY ALBERT A. CREE[1] TO THE SUBCOMMITTEE ON PUBLIC WORKS, SENATE APPROPRIATIONS COMMITTEE, REGARDING APPROPRIATIONS TO COMPLETE STUDIES FOR THE DICKEY-LINCOLN SCHOOL PROJECT, MAINE

This memorandum report has been prepared in response to the request in a letter dated May 13, 1967, from Senator Allen J. Ellender, Chairman, Subcommittee on Public Works, Committee on Appropriations. The letter from Senator Ellender included four attachments as follows:

(1) The Corps of Engineers justification for $1,676,000 to complete pre-construction planning for the Dickey-Lincoln School project in Maine,

(2) A statement to the Subcommittee on Public Works, Committee on Appropriations, United States Senate, dated May 11, 1967, by Mr. Albert A. Cree in opposition to the appropriation of additional funds for the Dickey-Lincoln School project,

(3) A review of Dickey-Lincoln School project, dated December 1966, by the Electric Coordinating Council of New England, and

(4) A report on Power Supply for New England, 1973–1990, dated February 1967 and prepared by Ebasco Services, Inc.

Mr. Cree's statement discusses six points. These are listed below as separate headings. Following each heading we have briefly summarized Mr. Cree's views as expressed in his statement and in the review report of the Electric Coordinating Council of New England. Our comments follow these brief summaries.

Point 1. "A review and appraisal of the completeness and adequacy of the study conducted by the Corps of Engineers and the Department of the Interior on which the report was based recommending the project for authorization."

Mr. Cree contends that a complete and adequate study has not been made of the Dickey-Lincoln School project.

Most of Mr. Cree's comments relate to the August 1964 report on the International Passamaquoddy Tidal Power Project and Upper St. John River Hydroelectric Power Development, the latter being the proposed Dickey-Lincoln School project. While it is true that the 1964 report does not contain some details that are normally included in survey reports by the Corps of Engineers, there have been continuous studies of the Dickey-Lincoln School project since that date. The detailed cost estimates for the Dickey project, as prepared by the Corps of Engineers in 1964 and shown on pages 17–29 of the report by the Electric Coordinating Council, are evidence, however, that considerable study had been made of the project even at that date.

Point 2. "An analysis of the soundness of the cost estimate of $218.7 million."

Mr. Cree expresses to view, based upon studies made by Chas. T. Main, Inc., that the construction cost of the Dickey-Lincoln School project will be at least $284 million, compared to the Corps of Engineers estimate of $218 million, and that an allowance for escalation in the cost of labor and material between 1964 and the 1975 date of construction completion would add approximately $55 million to the construction cost.

We have not attempted to evaluate the separate cost estimates of the Corps of Engineers and Chas. T. Main because such an evaluation could not be made within the time available for the preparation of these comments. We note, however, that the Corps of Engineers has had widespread experience in estimating the costs of reservoir projects throughout the United States. Nevertheless, actual construction costs may differ significantly from estimated costs, either on the high or low side. Several recent bids by contractors to build large reservoir projects for the Corps of Engineers have been less than the Corps' estimates of costs. Examples are the Libby project in Montana, the Dworshak project in Idaho, and the Carters project in Georgia. In March 1967, the contractors who are to build the Libby dam in Montana near the Canadian border bid $82.9 million to construct this project. This is $5.5 million less than the Corps' estimated construction cost of $88.4 million. Due to adverse winter weather conditions the construction season for Libby will be similar to that which would be available for the Dickey-Lincoln School project. We note also that the Corps' more detailed studies of the Dickey-Lincoln School project, made since 1964, have resulted in a decrease in their estimate of construction cost from $218.7 to $212.1 million. In reference to possible escalation in costs of labor and material, the Electric Coordinating Council's review report (page 46) recognizes that a comparable escalation would result in the cost of constructing alternative sources of power.

Point 3. "An analysis of the soundness of the estimated allocation of the annual project benefits to power, flood control and area redevelopment."

Mr. Cree agrees that the allocation of almost 98.5 percent of the project benefits to power and the $40,000 annual benefit to flood control are both reasonable. He states that the allocation of $409,000 (now estimated by the Corps to be $467,000) of annual benefits to area redevelopment should be reviewed in the light of past experience at other locations, particularly in the Massena, New York, area of the large St. Lawrence River Power Development.

Whether or not costs are allocated to area redevelopment is a matter of policy. In the case of the Dickey-Lincoln School project, the amount of the proposed allocation of project costs to this purpose is too small to have a significant effect on the economics of power development.

Point 4. "An appraisal of the plans for the marketing of power including the proposed power rates to be charged and the payout schedule."

Mr. Cree states that there is no evidence that a marketing plan exists for the output of the Dickey-Lincoln School project and that the seven major electric utilities in southern New England would not be interested in purchasing peaking power from the project at a price of $15 per kilowatt per year plus three mills per kilowatt-hour, with availability of approximately two hours per day five days per week.

If the Dickey-Lincoln School project is constructed, the Department of the Interior, under terms of the 1944 Flood Control Act, would have the responsibility for marketing the power output. We are not aware of Interior having specific plans for marketing the project power, but representatives of that Department have suggested that 100,000 kilowatts of capacity at 50 percent annual load factor would be marketed to preference customers in Maine and the remaining capacity would be sold as peaking capacity to major electric utility systems in New England.

Our studies show that a price of approximately $15 per kilowatt-year plus three mills per kilowatt-hour would be required to pay all operation, maintenance, and marketing expenses and to amortize within 50 years all power investment costs, including the cost of transmission facilities.

The assumption that the peaking power would be made available approximately two hours per day five days per week would not provide for the best utilization of the capacity. The large storage capacity that would be available in the Dickey reservoir would permit operation of the project on a seasonal basis so as to provide more hours of operation per day during peak load periods. Also, it is un-

[1] Chairman, Central Vermont Public Service Corporation; President, Vermont Electric Power Company, Inc.; Chairman, Electric Coordinating Council of New England.

derstood that consideration is being given to installing two or more reversible units in the Dickey plant. This would require the purchase of electric energy for pumping but would permit a further increase in the number of hours that peaking capacity could be made available each day.

As is indicated in our comments under Point 5, we do not agree that the investor-owned utilities could provide alternative capacity at a cost that would be lower than the delivered cost of power from the Dickey-Lincoln School project.

Point 5. "A comparison of the estimated cost of power production under the project with costs under alternative means, including steam plants, nuclear plants, and pumped storage and nuclear combinations."

Mr. Cree contends that the investor-owned utilities in New England, by constructing combinations of nuclear plants and pumped storage hydroelectric plants, could supply power equivalent to the output of the Dickey-Lincoln School project at annual savings of roughly $2.2 million. Computations in support of this conclusion are shown on page 59 of the Electric Coordinating Council's review report. Mr. Cree repeats his argument under Point 2 that the cost estimate of the Dickey-Lincoln School project is too low; states that a realistic interest rate of 4¼ percent would conform more nearly to the requirements of Senate Document No. 97 than the 3⅛ percent used by the Department of the Interior; and contends that a realistic service life of 50 years rather than 100 years should be used for economic analyses to conform to the generally accepted amortization period for Federal projects.

It is our conclusion that the indicated annual savings of $2.2 million is unrealistic for a number of reasons. The comparative analysis upon which Mr. Cree's statement is based assigns no value to the Dickey-Lincoln School project for downstream benefits to hydroelectric plants in Canada. The latter benefits have been estimated to average 350,000,000 kilowatt-hours annually and it is understood that one-half of this amount of energy would be made available by Canada to the United States each year as payment for the benefits to the Canadian plants. The analysis makes no allowance for the greater periods of outages of nuclear plants as compared with those of hydroelectric plants. It assumes that alternative pumped storage plants would be available at a capital cost of $72 per kilowatt, an amount which is considerably less than our estimates. Also, it assumes that all pumping energy required by the pumped storage plants would be low-cost energy available from nuclear plants. Our studies show that such energy would not be available for pumping during the early years of operation of the Dickey-Lincoln School project.

In reference to the interest rate, the rate of 3⅛ percent was furnished by the Treasury Department as being in conformance with the method for determining the interest rate for Federal water resource projects as outlined in Senate Document No. 97.

A period of 100 years or the estimated economic life, whichever is shorter, is normally used in economic analyses of major water resource projects. This is in accord with the provisions in Senate Document No. 97. In financial analyses, made for the purpose of determining repayment requirements, it is customary to assume that all power costs will be amortized within a period of 50 years from the in-service date of the facilities.

Last December the Commission staff furnished information to the Surveys and Investigation Staff, House Appropriations Committee, on the estimated cost of power from sources alternative to the Dickey-Lincoln School development. We believe a summary of this information would be more useful than a step-by-step analysis of the estimates presented in the Electric Coordinating Council's review report. Therefore, we are presenting below our estimates of (a) alternative power costs, (b) our economic evaluation of the Dickey-Lincoln School project, and (c) our determination of the rate that would be required to repay the power costs of the Dickey-Lincoln School project.

(a) Estimated cost of power from sources alternative to Dickey-Lincoln School development

Estimates have been made by the Commissions' staff of the unit costs of power from various sources alternative to the Dickey-Lincoln School development. These unit costs have been derived and converted to at-market values applicable at load centers in Maine and in the Boston area. Alternative costs were estimated on the basis of the cost of power from conventional steam, nuclear steam, and pumped storage developments.

The estimated costs of power from a nuclear steam-electric plant in Maine are based upon the costs of power from a plant located in the Boston area with a portion of the output being transmitted to Maine. It was found that such an arrangement would provide power at lower cost than a plant located in Maine. This is due to the substantial transmission facilities that would be required to market the power if a large nuclear plant were constructed in Maine in the near future. No estimates are included for the cost of a pumped storage development in Maine because such a development would be incapable of supplying load at average system load factor. Therefore, a pumped storage project could not be an alternative to the 100,000 kilowatts of power from Dickey-Lincoln School which, it is assumed, would be marketed at system load factor in Maine.

Fixed charges assure private financing and include the cost of money at 7.0 percent, depreciation, interim replacements, insurance, and taxes based on the experience of utility companies in the area. Operation and maintenance costs, including administrative and general expenses, were based on the latest available information.

The alternative conventional steam-electric plants in the Boston and Portland areas and the alternative nuclear plant in the Boston area were each assumed to be located 15 miles from the existing transmission network. The estimated costs include, therefore, estimates of the cost of transmitting the power output a distance of 15 miles. The estimated cost of nuclear power in Maine includes the cost of transmitting power from a plant in the Boston area to Portland, Maine. Alternative pumped storage developments were assumed to be available an average of 75 miles from Boston. Therefore, the cost of power from such developments includes the cost of 75 miles of transmission facilities.

The three following tables show the derivation of the estimates of the unit cost of power from (1) conventional steam-electric plants, (2) nuclear plants, and (3) pumped storage projects. The resulting costs were converted to at-market power values and these are summarized below:

Type of plant	Estimated at-market power values	
	Massachusetts	Maine
Conventional steam:		
Capacity (dollars per kilowatt-year)	26.50	23.50
Energy (mills per kilowatt-hour)	2.47	2.97
Nuclear steam:		
Capacity (dollars per kilowatt-year)	28.50	33.50
Energy (mills per kilowatt-hour)	1.27	1.37
Pump storage:		
Capacity (dollars per kilowatt-year)	19.50	(1)
Energy (mills per kilowatt-hour)	4.57	(1)

[1] Not estimated.

Some important differences between the staff estimates, as shown in Attachments (1), (2), and (3), and the estimates made by the Electric Coordinating Council are discussed below.

The staff made a capacity value adjustment of ten percent in favor of the Dickey-Lincoln School capacity in the comparison with costs of conventional steam-electric and nuclear power, and an adjustment of five percent in the comparison with pumped storage hydroelectric power. The staff believes that in developing a value for the dependable capacity of a project such as Dickey-Lincoln School, based upon the cost of power from an alternative thermal-electric plant, adjustments must be made to reflect the difference in system reserve requirements, operating flexibility, service availability, and other factors. Most hydroelectric plants, for example, are particularly well adapted for serving peak loads and operating as synchronous condensers or as spinning reserve. Under favorable water conditions they may supply capacity in excess of their dependable capacity, making possible savings in overall system costs. The hydroelectric plant involves the use of rugged machinery operating at low speeds and temperatures, in contrast to the modern thermal-electric plant which is an intricate and complex mechanism involving high-speed, high-pressure, high-temperature equipment. Thus, the thermal-electric plant is subject to more equipment outages for maintenance and repair.

Based upon studies made for the National Power Survey, average forced and scheduled outages for steam-electric units rated at 600 megawatts will range from about 11.0 to 13.5 percent whereas the comparable outage rate for hydroelectric units is about 2.2 percent. Based-load nuclear plants are shut down about once a year for refueling and are inoperative during such periods which usually range from three to five weeks. An additional credit could be assigned to hydroelectric capacity owing to its fast-loading characteristics. Based upon these considerations the staff selected a capacity value adjustment of ten percent in favor of hydroelectric capacity when deriving the value of power based upon the cost of alternative thermal-electric sources. There is, of course, an element of judgment in selecting the adjustment factor which should be used. In a pending application for license to construct a hydroelectric project, a large investor-owned electric utility has submitted an economic analysis to the Commission in which it uses an adjustment of 15 percent in favor of the hydroelectric project. Thus, this is not a factor which is recognized only by the Commission's staff.

A conventional hydroelectric project having a large storage reservoir has certain inherent advantages that would not be available in the average pumped storage project. The Dickey project will have 2.9 million acre-feet of usable power storage and will have a reregulating reservoir to permit peaking operations without restrictions. It can provide almost instantaneous reserve capacity 24 hours a day or it can provide continuous operation at full load for 24 hours or more if needed. In contrast, a pumped storage project must cease operations when its upper reservoir is empty, probably after only a few hours of operation. Also, during the daily pumping cycle the generating units are not available as a source of system reserve capacity. For these important reasons it is considered that a credit should be given to the conventional hydroelectric development. The amount of five percent was selected on the basis of engineering judgment.

The Electric Coordinating Council's review report (page 49) cites three potential pumped storage projects which it indicates can be constructed for costs ranging from $64 to $76 per kilowatt. No details are given in support

of these estimates which are much lower than the $95 per kilowatt used by the staff.

Selection of the size and unit cost of alternative pumped storage developments involves some judgment based on information relative to the few projects which have been constructed and estimates for potential developments. The following tabulation, based upon latest information available to the staff, shows the actual and estimated costs of pumped storage projects constructed or under construction under FPC licenses.

Project	Installed capacity (megawatts)	Estimated cost per kilowatt
Taum Sauk, Mo	[1] 408	[2] $113
Yards Creek, N.J	388	[2] 84
Cabin Creek, Colo	300	107
Muddy Run, Pa	800	[3] 92
Kinzua, Pa	355	[3] 106
Salina, Okla	500	[3] 124

[1] The licensee now reports the rating of the 2 generating units in this plant to be 204 megawatts each. However, the total rating of the 2 units as specified in the license is 350 megawatts. Using the latter rating the unit cost is $132 per kilowatt.

[2] Actual.

[3] The lower pool is provided by existing facilities and is not included in this cost estimate.

Estimates for other projects proposed by various interests range from $70 to $140 or more per kilowatt. Unit costs depend upon site conditions, unit and plant sizes, and other factors. Costs may be less when the lower reservoir is already provided, as at Muddy Run and Kinzua, under construction, or at the proposed Cornwall and Northfield Mountain projects.

The Commission staff has made reconnaissance estimates for a number of potential pumped storage developments in the New England area. Sixteen of these with installations of 500 mw or more each would be located within 100 miles of Boston and would provide an aggregate installed capacity of about 10 million kilowatts. The average plant size would be about 600 mw and the weighted average cost was estimated at about $95 per kilowatt.

Consideration of the above led to selection of the alternative pumped storage project of 600 mw capacity costing $95 per kilowatt.

The analysis in the Electric Coordinating Council's report assumes that pumping energy required for pumped storage plants would cost 1.91 mills per kilowatt-hour. The staff assumed such energy would cost 3.0 mills per kilowatt-hour.

Pumping energy must be supplied by plants other than those operating in the base of the load. As nuclear plants are introduced into the power systems, such plants are used to supply base load generation because of their low energy costs. Thus, in the early years of operation of pumped storage plants, the sources of pumping energy would be conventional steam-electric plants. For estimating purposes the incremental costs of generation at such plants may be assumed to be equivalent to the cost of fuel. Such costs for 1964 are shown in the Commission's publication entitled, Steam-Electric Plant Construction Cost and Annual Production Expenses. A review of the fuel costs at plants of 100 mw and more located within a 100-mile radius of Boston shows that fuel costs ranged from 2.97 to 7.18 mills per kilowatt-hour at 18 plants having a total installed capacity of 4,266 mw. The weighted average cost was 3.67 mills per kilowatt-hour. These are at-site costs and do not include any allowance for transmission costs and losses that might be incurred if the energy were transmitted to a pumped storage plant for pumping use. The costs of energy for pumping would decrease as the older conventional plants are retired and today's base load plants are moved higher on the load curve. Eventually, it is expected that nuclear plants would be available to supply energy for pumping purposes but this would be many years in the future, probably not before one half of the total generating capacity is nuclear. Thus, the cost of pumping energy would be expected to decrease over the life of the pumped storage development. Considering all of these factors, the staff estimated 3.0 mills per kilowatt-hour as a reasonable life-time cost of pumping energy.

(b) *Economic evaluation of Dickey-Lincoln School project*

In preparing an estimate of the value of power from the Dickey-Lincoln School development, consideration was given to the manner in which the Department of the Interior proposes to market the project power. It is understood that the intent is to sell 100,000 kilowatts of capacity at 50 percent load factor in Maine and to sell the remaining capacity at about 10 percent annual load factor in the Boston area.

Consideration was also given to the proposed use of the United States entitlement to energy gains at Canadian plants resulting from operation of the Dickey reservoir. Under terms of the proposed treaty with Canada, the United States would receive 175,000,000 kilowatt-hours annually, less transmission losses At least one percent of this amount would be returned weekly. On this basis the Department of the Interior expects to market 85,000,000 kilowatt-hours of the annual entitlement as firm energy.

Our studies showed that the lowest cost alternative source of 50 percent load factor power in Maine would be a conventional steam-electric plant. For power at ten percent load factor delivered in the Boston area, the lowest cost source of alternative power would be a pumped storage project. Therefore, in this analysis of the value of power output of the Dickey-Lincoln School project, the value of the portion to be marketed in Maine has been based on the cost of power from a steam-electric plant and the value of the remainder has been based on the cost of power from a pumped storage project

The following table shows the derivation of the at-market value of project power, exclusive of downstream benefits:

Value of power marketed in Maine:	
100,000 kilowatts × $23.50	$2,350,000
353,000,000 [1] kilowatt hours × 3.1 [2] mills	1,094,300
Subtotal	3,444,300
Value of remaining power marketed in Boston area:	
689,000 [3] kilowatts × 90.5 × $19.50	12,159,100
638,000,000 [4] kilowatt hours × 92.9 percent × 4.5 mills	2,667,100
Subtotal	14,826,200
Total at-market value	18,270,500

[1] 438,000,000 kwh for 50% load factor operation less 85,000,000 kwh from U.S. entitlement of Canadian downstream benefits.

[2] This is the cost from Attachment 1 without the energy cost adjustment factor. Use of this factor is not appropriate in this case since the power in Maine is to be marketed at 50% load factor.

[3] Total project capacity of 794,000 kw less at-site capacity of 105,000 kw (100,000 kw plus 5,000 kw losses) marketed in Maine.

[4] Total project annual output of 1,010,000,000 kwh less 372,000,000 kwh (353,000,000 kwh plus 19,000,000 kwh losses) marketed in Maine.

The total benefits attributable to the project may be derived by adding to the above power benefits, the downstream power benefits and the non-power benefits as obtained from the Department of the Interior and the Corps of Engineers.

At-market value of project power	$18,270,500
Total downstream benefits to Canadian plants	1,050,000
Flood control benefits	40,000
Area redevelopment benefits	467,000
Total	19,827,500

The capital and annual cost of the Dickey-Lincoln School project and the associated transmission facilities, as estimated by the Corps of Engineers and the Department of the Interior, respectively, are as follows.

Project construction cost	$212,113,000
Transmission construction cost	78,820,000
Interest during construction	20,895,000
Total investment	311,828,000
Annual fixed charges (3⅛% interest and 100-year period of analysis)	10,215,000
Annual operating costs	1,957,400
Total annual costs	12,172,400

On the basis of the foregoing, the benefit-cost ratio of the project would be 1.63 to 1.0.

(c) *Rate and repayment analysis of Dickey-Lincoln School project*

Rates for the sale of project power would be based on recovering the costs, including amortization of the investment allocated to power over a 50-year period. The available allocation assigns the following capital and annual costs to power.

Project construction cost	$199,538,000
Transmission construction cost	78,820,000
Interest during construction	19,857,000
Investment allocated to power	298,215,000
Annual fixed charges (3⅛ percent interest and 50-year amortization)	11,866,000
Annual operating costs	1,955,400
Annual costs allocated to power	13,821,400

Should all energy available at the market, including at-site production and the downstream entitlement, be marketed at 3.0 mills per kilowatt-hour the annual revenue would be $3,331,500 (1110.5 million kwh x 3.0 mills). The capacity available at the market (723.5 mw) would then cost $14.50 per kilowatt-year. Allowing $0.50 per kilowatt for annual administrative costs, the resulting rate would be about $15 per kilowatt-year. This is substantially below our estimated cost of capacity from alternative power plants constructed with private financing.

Point 6. "An overall appraisal of the need and significance of the project in meeting power requirements in the light of the expansion program planned by the New England utilities."

Mr. Cree states that in view of all that is currently being done in New England for provision of the economical supply of the power needs of the people of the region, there is no need for, and no significance to, the Dickey-Lincoln School project in meeting the future power requirements of New England. He reports that by 1980 the Dickey-Lincoln School project would be capable of supplying less than 2.5 percent of New England's peak load capacity requirements, and less than one percent of New England's annual energy requirements. He concludes that even if the entire output of the Dickey-Lincoln School project were given to New England customers for nothing, it would have no significant effect on the cost of electricity in the region.

The above statements are not very mean-

ingful because they could be applied to any single power source whether it be a conventional hydroelectric development, a pumped storage plant, or a thermal-electric plant. New capacity additions are needed to provide for load growth and to replace existing equipment as it becomes obsolete. The major electric utility systems of New England are to be commended for their long range planning to serve future anticipated loads. The February 1967 report of Ebasco Services Incorporated on Power Supply for New England shows that new generating resources of about 29 million kilowatts will be required in New England between 1973 and 1990. It is proposed in the report that some six million kilowatts of new peaking capacity be provided during this period through the development of pumped storage projects. It is apparent, therefore, that the capacity at Dickey-Lincoln School could be readily utilized in the region and that it would be a relatively small component of the total electric generating capacity in New England. However, the 100,000 kilowatts which would be marketed to preference customers in Maine could provide a substantial reduction in the cost of power to those systems.

From the standpoint of reliability of service, it is desirable that a part of the generating capacity be capable of taking on additional load very quickly. Hydroelectric capacity, both conventional and pumped storage, is best adapted for providing peaking capacity and spinning reserve for load protection. Gas turbines are also used for peaking but require more time for loading. They are, however, capable of being loaded much faster than conventional and nuclear steam-electric capacity. The latter are not suitable for peaking use and load protection because of economic and operating considerations. They have their greatest value in operating as base-load plants and constitute desirable partners of peaking plants.

There are many undeveloped conventional hydroelectric sites in New England but the power potential of most of the sites is small. As a result, the cost of power development may be greater than the cost of power from alternative sources. The proposed Dickey project has, by far, the largest power potential of any of the undeveloped sites. It is apparent that it and several of the potential pumped storage developments in New England will be needed in the foreseeable future.

The Dickey project with its large storage reservoir normally would be operated as a peaking plant, but in case of emergency it would be capable of continuous operation for a considerable period. In contrast, the usual pumped storage development normally would have a small headwater reservoir which would limit the power plant to a few hours of continuous operation. Another factor to consider in planning pumped storage projects as a source of future peaking capacity is the availability of off-peak energy for pumping. A detailed study would be required to determine the maximum amount of pumped storage capacity which could be utilized without encountering limitations in availability of off-peak energy for pumping. A considerable amount of off-peak energy would be required because it takes approximately three kilowatt-hours of pumping energy to produce two kilowatt-hours of on-peak energy by a pumped storage project. This means also that the time required for pumping is about 1.5 times the generating time, assuming operation at full load.

When considering the merits of the Dickey-Lincoln School project, it should be noted that such a development is essential to comprehensive development of the St. John River. The Dickey reservoir will provide seasonal storage for the entire system of plants on the river and will increase the generation at the downstream hydroelectric plants in Canada by an average of about 350 million kilowatt-hours per year. Also, the existence of this project near the Canadian border would enhance the opportunities for coordinating the operation of electric systems in Canada and the United States. Our studies indicate that the project would be a valuable addition to the power supply resources of New England.

ATTACHMENT 1.—ESTIMATED COST OF POWER FROM SOURCES ALTERNATIVE TO DICKEY-LINCOLN SCHOOL DEVELOPMENT

I. CONVENTIONAL STEAM-ELECTRIC PLANT

General data	Massachusetts	Maine
Location	Boston area.	Portland area.
Unit size (megawatts)	600	150.
Fuel	Coal	Oil.
Fuel cost (cents per million B.t.u.'s).	31	34.
Heat rate (B.t.u.'s per kilowatt hour).	8,900	9,600.
Fuel storage (days)	90	90.
Depreciation method	S.F., 30 yr.	S.F., 30 yr.
Capital cost (dollars per kilowatt).	125	115.
At-site capacity cost (dollars per kilowatt-year):		
Fixed charges	18.10	15.15
Fuel storage	.27	.32
Fixed fuel	1.57	1.67
Fixed O. & M. (including A. & G.)	1.74	1.87
Total	21.68	19.01
Associated transmission costs (dollars per kilowatt-year):[1]		
Fixed charges	1.56	1.13
O. & M. (including A. & G.)	.49	.73
Transmission losses	.47	.42
Total	2.52	2.28
At market capacity cost (dollars per kilowatt-year)	24.20	21.29
Hydrosteam capacity value adjustment (10 percent)	2.42	2.13
At-market value of hydro capacity (dollars per kilowatt-year)	26.62	23.42
Use	26.50	23.50
Energy costs (mills per kilowatt-hour):		
Incremental fuel	2.48	2.97
O. & M	.11	.11
Transmission losses	.04	.05
Total	2.63	3.13
Energy cost adjustment factor (mills per kilowatt-hour) [2]	−.20	−.20
At-market value of hydro energy (mills per kilowatt-hour)	2.43	2.93
Use	2.4	2.9

[1] Includes step-up substation at steamplant, transmission lines to market distribution center, and stepdown substation.

[2] This adjustment is to compensate for the effect on the production costs of existing thermal plants of adding a peaking hydroplant to the system.

ATTACHMENT 2.—ESTIMATED COST OF POWER FROM SOURCES ALTERNATIVE TO DICKEY-LINCOLN SCHOOL DEVELOPMENT

II. NUCLEAR STEAM-ELECTRIC PLANT

General data	Massachusetts	Maine [1]
Location	Boston area.	
Unit size (megawatts)	600	
Fuel	Nuclear	
Depreciation method	S.F., 30 yr.	
Capital cost of plant (dollars per kilowatt).	125	
Cost of fuel inventory (dollars per kilowatt).	30	
At-site capacity cost (dollars per kilowatt-year):		
Fixed charges	18.53	--------
Annual cost of fuel inventory	2.10	--------
Fixed fuel	.98	--------
Fixed O. & M. (including A. & G.)	1.82	--------
Total	23.43	--------
Associated transmission costs (dollars per kilowatt-year):[2]		
Fixed charges	1.56	4.56
O. & M. (including A. & G.)	.49	.95
Transmission losses	.51	1.45
Total	2.56	6.96
At-market capacity cost (dollars per kilowatt-year)	25.99	30.39
Hydrosteam capacity value adjustment (10 percent)	2.60	3.04
At-market value of hydro capacity (dollars per kilowatt-year)	28.59	33.43
Use	28.50	33.50
Energy costs (mills per killowatt-hour):		
Incremental fuel	1.26	1.26
O. & M	.09	.09
Nuclear insurance	.05	.05
Transmission losses	.02	.05
Total	1.42	1.45
Energy cost adjustment factor (mills per kilowatt-hour) [3]	−.20	−.20
At-market value of hydro energy (mills per kilowatt-hour)	1.22	1.25
Use	1.2	1.3

[1] These costs are based upon a plant located in the Boston area with a portion of the output being delivered to Portland, Maine. If it were assumed that the 345-kv. transmission grid planned by the Electric Coordinating Council of New England were in existence and that a nuclear plant in Maine need only be connected to this grid, without sharing in its cost, then the at-market value of nuclear power would be $29 per kilowatt per year plus 1.2 mills per kilowatt-hour. Under this assumption, at 50-percent plant factor, the cost of power would be slightly less than the cost of power from a conventional steam-electric plant.

[2] Includes step-up substation at nuclear plant transmission lines to market distribution centers in Boston and Portland areas, and stepdown substations.

[3] This adjustment is to compensate for the effect on the production costs of existing thermal plants of adding a peaking hydroplant to the system.

ATTACHMENT 3.—ESTIMATED COST OF POWER FROM SOURCES ALTERNATIVE TO DICKEY-LINCOLN SCHOOL DEVELOPMENT

III. PUMPED STORAGE DEVELOPMENT

General data	Massachusetts [1]
Location	General Boston area.
Plant size (megawatts)	600.
Number of units	3.
Depreciation method	S.F., 50 yr.
Capital cost (dollars per kilowatt)	95.
At-site capacity cost (dollars per kilowatt-year):	
Fixed charges	12.69
O. & M. (including A. & G.)	1.50
Transmission losses	.45
Total	14.19
Associated transmission costs (dollars per kilowatt-year):[2]	
Fixed charges	3.08
O. & M. (including A. & G.)	.69
Transmission losses	.45
Total	4.22
At-market capacity cost (dollars per kilowatt-year)	18.41
Capacity value adjustment factor (5 percent)[3]	.92
At-market value of conventional hydro capacity (dollars per kilowatt-year)	19.33
Use	19.50
Energy costs (mills per kilowatt-hour):	
Pumping energy cost	3.0
Cost per kwh generated	4.5
Transmission losses	.05
Total	4.55
At-market value of energy (mills per kilowatt-hour)	--------
Use	4.5

[1] No pumped storage capacity assumed to be constructed or utilized in Maine.

[2] Includes step-up substation at pumped storage plant, transmission lines to distribution center in Boston area, and stepdown substation.

[3] Assigns a value to conventional hydro capacity 5 percent greater than pumped storage capacity.

Mr. MUSKIE. Mr. President, I shall read from that memorandum report just briefly, in order to make a point which will become evident when I get to it.

In the concluding paragraphs of its

memorandum, the Federal Power Commission said this:

There are many undeveloped conventional hydroelectric sites in New England but the power potential of most of the sites is small. As a result, the cost of power development may be greater than the cost of power from alternative sources. The proposed Dickey project has, by far, the largest power potential of any of the undeveloped sites. It is apparent that it and several of the potential pumped storage developments in New England will be needed in the foreseeable future.

The Commission continued:

When considering the merits of the Dickey-Lincoln School project, it should be noted that such a development is essential to comprehensive development of the St. John River. The Dickey reservoir will provide seasonal storage for the entire system of plants on the river and will increase the generation at the downstream hydroelectric plants in Canada by an average of about 350 million kilowatt-hours per year. Also, the existence of this project near the Canadian border would enhance the opportunities for coordinating the operation of electric systems in Canada and the United States. Our studies indicate that the project would be a valuable addition to the power supply resources of New England.

As I have stated, Mr. President, that memorandum report was sent by the Federal Power Commission to the distinguished Senator from Louisiana [Mr. ELLENDER] in response to his request.

That did not end the matter. Mr. Cree, as Chairman of the Electric Coordinating Council, was not satisfied to let the record stand at that point; and so, in September of this year, he issued a report on the FPC memorandum from which I have just read; and his report lists the following subheadings as findings of the Federal Power Commission.

Square, if you will, Mr. President, what I am about to read as a description of that report, with the language I have just read from the report itself.

First:

FPC findings show Dickey-Lincoln would be constructed solely for power purposes.

Second:

FPC findings show proposed Dickey-Lincoln rate would not recover cost.

Third:

FPC findings show Dickey-Lincoln a hopelessly inefficient means of producing power.

Fourth:

FPC findings show Dickey-Lincoln power would exceed equivalent cost of alternative power.

This is the most incredible distortion of the facts and of the findings of a Government agency on a project that I suspect the history of public power projects in our country can disclose. Compare, Mr. President, the language I have just read from the report itself—and especially the last sentence, "Our studies indicate that the project would be a valuable addition to the power supply resources of New England"—with this one from the Electric Coordinating Council, that "FPC finding shows Dickey-Lincoln a hopelessly inefficient means of producing power."

Mr. President, Senators and Members of the House of Representatives have told me—Members who have been around a long time—that they cannot recall a more vicious lobbying campaign against a single project than in the case of Dickey-Lincoln. I have repeated that observation to many people in Maine, and I understand that the power companies challenged this as an unfair accusation. I ask, Mr. President, whether or not that accusation does not stand up by the comparison which I have made this afternoon.

But I shall not stop there. My distinguished colleague [Mrs. SMITH] who has been in the forefront of the fight for this project, also received, as a member of the Public Works Subcommittee of the Appropriations Committee, a copy of the memorandum report, and of the Electric Coordinating Council's report on the memorandum. So she submitted the Electric Coordinating Council report to the Federal Power Commission for comment.

I ask unanimous consent, Mr. President, that the reply and analysis of the Federal Power Commission to Senator SMITH be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Without objection, it is so ordered.

The reply and analysis were ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION,
Washington, D.C.

Senator MARGARET CHASE SMITH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMITH: This is in response to your request for comments on a report, dated September 1967, prepared by the Electric Coordinating Council of New England and titled, *Federal Power Commission Review Confirms Dickey-Lincoln Project Economically Inefficient, Single-Purpose Power Plant.*

The Federal Power Commission review to which the Council refers is the memorandum report prepared by our Bureau of Power and transmitted to Senator Allen J. Ellender with my letter of June 12, 1967. That letter and report, except for three attachments to the report, are printed in the Senate Hearings on Public Works Appropriations for 1968, pages 3377–3384. I am enclosing for convenient reference a copy of the letter to Senator Ellender and the memorandum report.

The June memorandum report of our Bureau of Power is an analysis of a statement made on May 11, 1967 by Mr. Albert A. Cree, Chairman, Electric Coordinating Council of New England, to the Subcommittee on Public Works, Senate Appropriations Committee, regarding appropriations to complete planning studies for the Dickey-Lincoln School project in Maine. The points covered in that analysis correspond generally to the questions discussed in the Council's September 1967 report. The latter report shows the following as findings of the Federal Power Commission.

I. FPC finding shows Dickey-Lincoln would be constructed solely for power purposes.

II. FPC finding shows proposed Dickey-Lincoln rate would not recover cost.

III. FPC finding shows Dickey-Lincoln a hopelessly inefficient means of producing power.

IV. FPC finding shows Dickey-Lincoln power would exceed equivalent cost of alternative power.

The Federal Power Commission has not made any of the above findings. To the contrary, we reported to Senator Ellender that the then current studies supported the conclusion reported to the Secretary of the Interior in 1964 by the Federal Power Commission that the proposed Dickey-Lincoln School development was well justified and merited early construction. Our staff advises that it has no new information that would warrant a change in this conclusion.

Our staff's June 1967 report was based upon estimates by the Corps of Engineers that the Dickey-Lincoln School project would cost $212.1 million for construction, $17.2 million for interest during construction, and $82.5 million for transmission facilities, a total investment of $311.8 million. We understand the Corps of Engineers has reviewed these estimates and has presented testimony in support of them, and has concluded that no changes are warranted. The Council in its September report estimates the total investment cost of the project to be $380 million.

The Council has made a number of modifications of material in our staff's June report, including use of the $380 million cost estimate, to reach different conclusions which it reports as FPC findings. Within the limits of time and available data, our staff's analyses of the modifications made by the Council do not support those changes. Analysis of the modifications by the Council shows they rely largely upon anticipated construction cost increases. They do not employ similar increases for alternative facilities that would be constructed in lieu of the Dickey-Lincoln School project.

Our staff has reviewed the Council's September report and a copy of its analysis is enclosed.

Sincerely,

LEE C. WHITE,
Chairman.

REVIEW BY THE FEDERAL POWER COMMISSION STAFF OF A STATEMENT BY THE ELECTRIC COORDINATING COUNCIL OF NEW ENGLAND, SEPTEMBER 1967, ENTITLED "FEDERAL POWER COMMISSION CONFIRMS DICKEY-LINCOLN PROJECT ECONOMICALLY INEFFICIENT, SINGLE-PURPOSE POWER PLANT"

The subject report by the Electric Coordinating Council of New England makes a number of changes in material furnished with the Federal Power Commission's letter of June 12, 1967, to Senator Ellender on the Dickey-Lincoln School project, Maine. On the basis of the modified material the report states that the Commission has confirmed that Dickey-Lincoln School is an economically inefficient single-purpose project. As shown in the following analysis, the changes made by the Council are unwarranted and the conclusion that the Commission has confirmed the economic inefficiency of the project is not proper.

The material furnished with the Commission's June 12, 1967, letter was prepared in response to a request from the Chairman of the Subcommittee on Public Works of the Senate Committee on Appropriations. The letter and enclosures were printed, beginning at page 3377, in the Senate Hearings on the 1968 Public Works Appropriations bill. A copy of the letter is attached hereto for ready reference.

The following analysis of the Council's September 1967 report follows the headings in that report.

I. FPC FINDINGS SHOWS DICKEY-LINCOLN WOULD BE CONSTRUCTED SOLELY FOR POWER PURPOSES

As shown in all previous reports and studies, the benefits ascribable to Dickey-Lincoln School include those for power, flood control, and area redevelopment. Although the largest share of monetary benefits would accrue from power development, the

project is multiple-purpose in character and it is not proposed to be constructed solely for power.

II. FPC FINDING SHOWS PROPOSED DICKEY-LINCOLN RATE WOULD NOT RECOVER COST

With regard to the Corps' estimated construction cost of Dickey-Lincoln School, Point 2 in the material furnished with the Commission's letter of June 12, 1967, includes comments on this subject. It points out that the Council's report then under review recognized that any escalation of Dickey-Lincoln School costs would be accompanied by a comparable escalation in the cost of constructing alternative sources of power. The Corps has presented testimony in both the House and Senate Committee Hearings on the 1968 Appropriation supporting its current estimated construction cost of $212 million. Including estimated transmission costs and interest during construction, the resulting project investment would be about $312 million. The FPC economic and revenue analyses were based on that amount and no different basis would now be used. It is believed that the Council's $380 million estimated investment cost has not been supported.

The FPC analysis showed that rates of $15 per kilowatt-year for capacity plus 3.0 mills per kilowatt-hour for energy would be sufficient to recover the Dickey-Lincoln School project investment allocated to power over a 50-year period. Such a repayment schedule would meet the requirements of the Flood Control Act of 1944.

The Council notes that the above rates would apply to power delivered to the low voltage side of substations near load centers. Additional transmission or wheeling costs could be required to bring the project power to distribution systems. However, such additional costs would also apply to any alternative power supplied to the same users. The fact that the indicated "rates" were lower than the FPC estimate of the cost of power supplied from utility sources to the same points clearly indicates that the Dickey-Lincoln School power development would be financially feasible.

III. FPC FINDING SHOWS DICKEY-LINCOLN A HOPELESSLY INEFFICIENT MEANS OF PRODUCING POWER

The FPC analyses did not include a comparison of Dickey-Lincoln School project costs with the cost of power from Federally financed alternative plants. However, the Corps of Engineers did prepare such an analysis based on FPC's estimated cost of Federally financed alternative plants. That analysis, presented on page 3374 of the Senate Committee Hearings, shows a "comparability ratio" of 1.12. Also, material prepared by the Department of the Interior and shown on page 439 of the House Committee Hearings indicates that the cost of Dickey-Lincoln power would be lower than the cost of power from Federally financed alternative power sources.

The Council's corresponding analysis was based on the use of its higher capital costs for Dickey-Lincoln School, a 50-year rather than a 100-year period of analysis as used by the Corps and Interior, and apparently a neglect of the non-profit benefits. The result was an unfavorable "comparability ratio." Such a finding should not be attributed to the Federal Power Commission.

IV. FPC FINDING SHOWS DICKEY-LINCOLN POWER WOULD EXCEED EQUIVALENT COST OF ALTERNATIVE POWER

The FPC estimate of the cost of power from sources alternative to Dickey-Lincoln School and its economic evaluation of the project based on the use of such alternative costs are covered in Point 5 of the material furnished with the June 12, 1967 letter. The results are summarized below:

Annual value of power marketed in Maine	$3,444,300
Annual value of power marketed in Boston area	14,826,200
Annual downstream power benefits [1]	1,050,000
Annual nonpower benefits	507,000
Total annual project benefits	19,827,500
Annual cost of Dickey-Lincoln project	12,172,400
Benefit-cost ratio	1.63

[1] Total benefits to Canadian plants, of which one-half would be returned to the United States.

There appear to be no valid reasons for basic modifications of the above FPC analysis. However, by modifying the Dickey-Lincoln School project cost and by making lower estimates of alternative power costs, the Council derived an unfavorable comparison for the project. Among the reasons for the unfavorable finding are the Council's higher estimated cost of Dickey-Lincoln School, its much lower estimate of transmission costs associated with alternative power sources, and its use of the low-cost Northfield Mountain pumped storage development as the basis for alternative peaking power in the Boston area.

The latter point above was discussed in some detail in Point 5 of the June 12 material. The low Northfield Mountain project cost of $72 per kilowatt results in part from the fact that the lower pool is an existing development. Although there is little actual experience with pumped storage costs, those now existing or under construction range in costs from $84 to $124 per kilowatt. The staff reconnaissance showed an average cost of about $95 per kilowatt for a number of potential sites within 100 miles of Boston. The FPC staff was of the opinion that power values for a potential water resource development should not be based on a single low cost plant but a cost that might be realized at a number of sites. Thus, the analysis was based on use of $95 per kilowatt for a pumped storage peaking plant to serve in the Boston area. Such an estimate appears reasonable, pending further construction experience with such projects.

V. GOVERNMENT TAX LOSS SHOULD BE CONSIDERED IN DETERMINING GOVERNMENT COST OF DICKEY-LINCOLN POWER

As pointed out in the Council's report, Senate Document 97 provides that "taxes foregone" are not to be included in the cost of Federally constructed projects. Therefore, the FPC analyses did not include such tax costs.

In reporting to the Congress on the possible recapture of privately owned licensed projects at the end of the license terms, the Commission does include an indication of the taxes that would be lost as a result of Federal operation. In these cases, there is a question of actually foregoing Federal, State, and local taxes that have been collected over the license term. In the case of Dickey-Lincoln School, there is no question of actually foregoing a previously collected amount of taxes.

Incidentally, the FPC economic analysis given under IV above shows an excess of benefits over project costs of about $7.7 million per year. Thus, the inclusion of $3 to $5 million of "taxes foregone" as an economic cost, as suggested in the Council report, would still leave Dickey-Lincoln School as an economic project.

VI. EXCLUDING TRANSMISSION, DICKEY-LINCOLN POWER WOULD COST MORE THAN ALTERNATIVE POWER

As shown in item IV above, the FPC analysis based on a comparison of the cost of the Dickey-Lincoln School project with the cost of power from alternative sources shows a benefit-cost ratio of about 1.6 to 1.0. Deducting the cost of transmission from both the project costs and the alternative costs would, according to the FPC analysis, still show a favorable economic ratio. This would be true even with the inclusion of an item of "taxes foregone" in costs.

VII. IF BUILT, DICKEY-LINCOLN WOULD PROVIDE HIGH COST POWER

The above conclusion of the Council is based largely on the premise that the project cost would be substantially greater than now estimated. As previously noted, if the project costs escalate materially, it would be expected that alternative power costs would also increase. As noted by the Council, the power would need to be sold at rates sufficient to recover project costs allocated to power over a 50-year period. The FPC analysis shows that the indicated rates needed to repay the cost of project power would be lower than the presently estimated cost of power from alternative sources expected to be available. Under such conditions, it would be expected that the construction of Dickey-Lincoln School would contribute to the lowering of the cost of power in New England as forecast by the National Power Survey.

Mr. MUSKIE. The four findings that the Electric Coordinating Council purported to describe the FPC as making, were commented upon in the letter to Senator SMITH as follows:

The Federal Power Commission has not made any of the above findings. To the contrary, we reported to Senator Ellender that the then current studies supported the conclusion reported to the Secretary of the Interior in 1964 by the Federal Power Commission that the proposed Dickey-Lincoln School development was well justified and merited early construction. Our staff advises that it has no new information that would warrant a change in this conclusion.

Mr. METCALF. Will the Senator from Maine yield at that point?

Mr. MUSKIE. I am happy to yield to the distinguished Senator from Montana.

Mr. METCALF. The Senator from Maine comes from an area where the power rates are probably the highest in America. He also comes from an area which thus far has failed to have the benefit of Federal development.

The Dickey-Lincoln project is one of the most feasible projects remaining in North America for power, for water resource conservation, for all the things that we take into consideration when we build one of these Federal projects. It is one of the last remaining undeveloped highly feasible programs. I compliment the Senator from Maine, his colleague [Mrs. SMITH], and his colleagues in the House of Representatives, all of whom have strongly supported this project.

I do not know whether he is suffering from the most vicious attack that I have ever experienced. I can recall our experience in the Hells Canyon project in Idaho and the Knowles project in my State of Montana. The same things were said about those programs.

I do want to say to the Senator from Maine that it seems to me that, in the public interest, one of the last remaining great feasible projects should be built also in the interest of that region of New England. The Federal Government should go in and build a project for a yardstick program, as they have built projects in Montana, in the Northwest,

in the case of the TVA, and in the Southwest, so that the New England section of the country, which has an opportunity for the development of a great water resource development program, should have the same opportunity we had in our area to bring our power rates down to compare with the power rates in various other areas of the United States.

I can understand how utilities have fought so hard, because they want to have the benefit of the overcharges of $5, $6, $7 a month for every residential consumer in Maine and New Hampshire and Vermont. And they do not want this yardstick to apply to their power rates for New England or the Consolidated Edison in New York City or any of the other areas.

I want to say to the people of America that the Senator from Maine [Mr. MUSKIE] and his colleague, the senior Senator from Maine [Mrs. SMITH] have made a significant report to the people of America in an effort to bring power rates down in their area and they have made a significant contribution by this effort.

I compliment them on their effort, and I compliment them on joining the club of the Northwest and the Southwest and the Southeast in trying to get a feasible and effective power project in their area.

Mr. MUSKIE. Mr. President, if the Senator will bear with me a moment, I would like to show him a map. I know that we do not have much of an audience here at the present time, but I show him a map on which the Army Engineers have identified by black dots every Federal power project that has been authorized or constructed or is under construction in our country at the present time.

The Senator will notice that in the Northwest and in the Southwest and the South and the Southeast, the map is literally covered by these black dots. However, if the Senator will look at my section of the country, from Virginia north, he will see not a single public power project. The Dickey-Lincoln School meets the same tests of feasibility, the same guidelines of public policy that have been created on all of these Federal power projects to the benefit of the consumers of those areas, to the end result that we in New England pay higher rates than any other area in the country, and that is no mystery when one looks at the map.

Mr. METCALF. I suggest that in the Northwest, in Tacoma and Seattle, the residential rate is about $5 per month. Down in this area of the map in which there are so many Federal power projects, in the Southeast, the rate is about the same as in the Northwest, $5 per month.

In the area of the country from which the Senator comes, where there are no Federal power projects to make a yardstick, the rate is $11 or $12, so that if one is a residential owner and buyer power in Tacoma or Seattle or in another area of the country in which there are so many Federal power projects, for 500 kilowatts per month a person will pay a residential bill that amounts to approximately one-third of the bill that a residential consumer will pay in the State of Maine. And as one who has benefited in the State of Montana from the Federal power projects represented by these black dots, at Hungry Horse, and Yellow Tail, and Fort Peck, and so forth, as well as being the beneficiary of these downstream dams on the Columbia, I say to the people in Maine and New England that a good way to bring their cost of living down is to have the Dickey-Lee project authorized.

Mr. MUSKIE. These dots represent more than 170 Federal projects built in other areas of the country. And it is because they have been built that we experience the wide gap between rates in New England and other parts of the country.

Mr. METCALF. The Senator is exactly correct.

Mr. MUSKIE. All we can ask for here is the same kind of treatment, the same kind of public power yardstick that the Congress of the United States has made available to other areas of the country.

This is the record up to date, and I personally, as a member of the Committee on Public Works, have participated in the committee action resulting in the authorization of 28 Federal public power projects across the country. And of the 28, 25 had lower benefit-cost ratios than Dickey. And not one of those 25 has been attacked as a single item as this one has in the House of Representatives.

In my committee work I supported resource development with Federal dollars because I believed it to be right. I believed it to be in the interest of the country as a whole. And it never occurred to me in 9 years of such service that we had one policy for the rest of the country and a different and discriminating policy for New England.

I have said this in letters to Members of the House of Representatives. And not one of them has challenged me on the merits of this project. Those who have replied have assured me that they believe in a policy that benefits all areas of the country alike. And yet the result in the other House is vote after vote against the Dickey-Lincoln School.

This cannot conceivably be on the basis of the merits, because as I have said, Dickey meets every test that has been required in any other Federal power project, including all of those which have been built.

I suggest that the best proof and the strongest proof of the feasibility of Dickey-Lincoln is in the viciousness of the private power lobbying effort against it. If this project were as worthless as the private power companies argue that it is, what do they have to fear from it? What is there in it that causes them to exert this effort, this coast-to-coast effort, against this project? What are they fearful of? And why do they have to attack it by means of pressure and the kinds of distortion and misrepresentation that I have placed in the RECORD this afternoon, if they were not fearful of it on its merits? They do not want the test of the public power yardstick applied, and they will fight it to their last resource.

The people of my State understand this. I have just come back from a weekend in Maine. And let me tell the Senator that they understand what the issues are here. They know who their enemy is. They know what the merits of this case are, and they want this project.

We have said to the House of Representatives in every way that we know that we want this project, that it deserves support, that it meets every test that every other project has met. And the only reason that we are not getting the kind of action we ought to have is this private power lobby.

It is for that reason that I supplemented my earlier remarks with his record which I have gone into in some detail of the kind of gross and untruthful distortions that the private power lobby uses to defeat this project.

Now, Mr. President, I wish to review our national resource development policy, point out the salient facts about the values of the Dickey-Lincoln School project, and encourage my colleagues to insist on the Senate position that the Dickey-Lincoln School project planning funds be provided for fiscal year 1968.

Since 1959, I have been a member of the Public Works Committee, where the bulk of our resource development projects are reviewed and evaluated. In the 7½ years I have worked with my colleagues on hundreds of projects, I have followed a simple rule: A project should be evaluated on its merits—without reference to the region in which it is located—and approved, if it meets the tests of being in the public interest, if it contributes to the welfare of the area in which it is located, and if it is economically feasible. These are the tests the Public Works Committee and the Senate have applied.

When it is examined objectively, Dickey-Lincoln School meets all of these tests.

The project is the product of a long series of studies beginning with the New England-New York Interagency study of the late 1940's and early 1950's, coupled with the earlier Passamaquoddy tidal power project, advocated by President Franklin D. Roosevelt.

In 1959, the Joint Engineering Board of the International Joint Commission—United States and Canada—recommended the construction of the Passamaquoddy tidal power project, coupled with the construction of a high dam on the upper St. John River at Rankin Rapids. The Rankin Rapids project was designed to provide low-cost flexible hydroelectric energy to smooth out the peaks and valleys in power production at the tidal generating station. It would have flooded the upper St. John and the Allagash Rivers.

The engineering report was referred to the International Joint Commission for review and evaluation. In April 1961, the Commission rejected the proposed Passamaquoddy tidal power project, but suggested possible development of the Upper St. John, which is an international river, rising in Quebec Province, flowing through Maine, forming part of the boundary between Maine and New Brunswick and flowing through New Brunswick to the sea.

In the meantime, the National Park Service of the United States had proposed the protection of the Allagash

River as a free-flowing wilderness waterway.

I recommended to President Kennedy that the Department of the Interior be assigned the responsibility of reviewing the recommendations of the Joint Engineering Board, the findings of the International Joint Commission, and the recommendations of the National Park Service for the purpose of recommending a balanced development of the resources of northern and eastern Maine.

In July 1963, after 2 years of study, Secretary of the Interor Udall recommended to the President the development of the Dickey-Lincoln School project on the Upper St. John as a flood control and hydroelectric program, designed to provide 100,000 kilowatts of low-cost firm energy, and 650,000 kilowatts of low-cost peaking power. The project would consist of a high dam on the upper St. John, above the confluence of the St. John River and the Allagash River in the town of Dickey, and a low, reregulating dam below the confluence of the two rivers at the site of Lincoln School. The project, which would fit into the power requirements of Maine and New England, was hailed by conservationists because of the protection it provided the Allagash River.

This past year the State of Maine and the Department of the Interior entered into an agreement under which the State of Maine is acquiring title to land on both sides of the Allagash and protecting this beautiful river in its primitive State. The Federal Government and the State are sharing in the costs of the project.

The 1963 proposal contained an additional recommendation that the Passamaquoddy project should receive continuing study, particularly with reference to technological advances.

I want to underscore the fact, Mr. President, that the 1963 proposal, which is the foundation for the present project, was based on the concept of a generating station designed to produce the bulk of its energy as peaking power which is absolutely essential to a soundly balanced power system in which there are very large thermal plants—fueled either by fossil fuels or nuclear energy. Dickey-Lincoln School is not an alternative to thermal plants; it is an essential complement to them.

Thermal powerplants—whether powered by coal, oil, or nuclear energy—are efficient only when used to generate at maximum load factor—90 percent or above is considered efficient—24 hours a day. They are neither efficient nor practical as sources of intermittent power requirements. Hydroelectric plants are ideal for this latter purpose. Dickey-Lincoln School is designed to produce peaking power as a hydroelectric plant.

Dickey-Lincoln School is important to New England as a substantial source of low-load factor power which will be available for short periods of peak demand such as rush hours, early evening and early morning—the kind of power the Northeast needed and did not have on November 9, 1965.

Dickey-Lincoln School is an eminently sound project, with a benefit-cost ratio of 1.91 to 1. It would provide wholesale firm energy for Maine communities at rates substantially below those now charged by the private utilities in our area. It would supply essential peaking power to the New England market at rates substantially below current charges and at costs lower than the best alternative proposals made by the private companies.

Since its authorization in 1965, Dickey-Lincoln School has been the subject of the most intensive restudy ever required for a public works project. The staff of the House Committee on Appropriations conducted a special study of the project, including an extensive analysis of the findings of the Corps of Engineers, the Department of the Interior and the Federal Power Commission. They reviewed the allegations made by New England's private utilities. The staff findings sustained the favorable verdict of the Federal agencies and discredited the arguments advanced by the private companies.

The private power companies have claimed that Dickey-Lincoln School would not affect power rates in New England. The fact is that the threat of Dickey-Lincoln has already had an impact on the power companies of my own State.

Between 1946 and 1963 the three privately owned power companies in Maine sought increases—but no reductions—in their rates. Indeed, during my terms as Governor, the public utilities commission was virtually overwhelmed by the onslaught of power company attempts to push their rates higher and higher.

But in 1963, when the Department of the Interior recommended the construction of the Dickey-Lincoln School project, the three companies suddenly discovered it was possible to reduce rates. The reductions were not impressive and they provided almost no benefits for homeowners, but they were reductions. The total reductions, in 18 announcements made by the power companies since the advent of the Dickey-Lincoln proposal, have totaled $4,161,527.

The 1963 applications were as follows: Central Maine Power Co. sought a reduction of $1,000,000, and Bangor Hydroelectric Co. sought a reduction of $10,000, both to take effect September 1. Maine Public Service Co. sought a $100,000 reduction, effective September 18. Secretary Udall's recommendation to President Kennedy was dated July 1, 1963.

In 1964, while the authorization proposal for Dickey-Lincoln School was in the final stages of preparation, and when the project received President Johnson's unqalified endorsement, Maine Public Service—the private company located closest to the project and charging the highest rates in Maine—announced another proposed reduction of $180,000.

In 1965, the legislation authorizing the Dickey-Lincoln School project was introduced.

Between the time Dickey-Lincoln School was reported—June 17—and the time of the final authorization—October 15—Central Maine Power Co. announced three rate reductions: $591,000 to take effect September 1; $15,000 to take effect September 30; and $33,737 to take effect October 1. Bangor Hydro initiated a reduction of $275,000 that year.

In 1966, the rate reduction pattern continued, as the House debated Dickey's second planning appropriation. Central Maine sought reductions of $45,000 for August 1 and $100,000 for September 1. Bangor Hydro sought four reductions: $595,404 for July 1; $26,285 for August 5; $13,000 for October 1; and $16,201 for December 8.

It should be noted that all but one of these six reductions were announced prior to or during the hearings and floor consideration of the Dickey-Lincoln school project.

This year's fight on Dickey-Lincoln School is still going on. So far, Central Maine and Bangor Hydro have sought two reductions apiece, all announced during hearings and consideration of Dickey. Central Maine announced reductions of $200,000 for September 1 and $470,000 for October 1. Bangor Hydro announced reductions of $211,209 for September 1, and $281,668 for November 1.

This record is extraordinary for companies which had not sought reductions and had been busy pushing rates up for the preceding 17 years. This record, plus the record of rate reductions in other areas of the country where publicly owned power projects are located, indicate the desirability of competition in the power business. In Maine we have only had a taste so far.

It should be noted that the rate reductions in Maine did not result in any belt-tightening by the private utilities. A study of the rate of return received by the power companies indicates that during and since the reductions, two of the three utilities involved have been getting returns in excess of the 6 percent normally set by the Maine Public Utilities Commission. As a result of the discussion stimulated by Senator METCALF's book, "Overcharge," the Maine Public Utilities Commission has contracted for a special study of rates of return for Maine utilities.

The Maine overcharge problem is matched in the rest of New England. A study of Federal Power Commission statistics shows that in 1965, for instance, the New England private power monopoly overcharged New England consumers $21,034,000. This estimate is based on the normal rate of return of 6 percent applied to this industry.

A study of 28 New England power companies shows that 14 of them had a rate of return of 7 percent or more. Five had a rate of return of 8 percent or more, and one had a rate of 11.18 percent. At these rates of return, it is not surprising that New England homeowners pay up to 35 percent more for power than the national average.

The private power companies have made one other gesture in the direction of improved operations since the advent of the Dickey-Lincoln school project. Even that is a mixed blessing.

In January 1966, the power companies released a series of advertisements, announcing the establishment of the "Big 11 Power Loop." In and of itself it was a confession of past weaknesses, but it promised an integrated power system for

the region, based on large nuclear power plants and larger transmission lines.

Later, one of the power company executives admitted in a Vermont public hearing that planning for the "Big 11" program consisted of preparing the advertisement. The House Public Works Committee could find no evidence of regional planning by utilities, including generation and transmission, except in the advertisements. The staff study concluded that—

Although representatives of the council advised that they have planned to meet the problems of supplying the power needs of New England on a central coordinated basis, they have not produced any document supporting this central planning with the exception of an advertisement that appeared in the public press in January, 1966.

Recent developments indicate that that the underlying intent of the private companies in promoting the "Big 11" proposal is not so much an improvement in reliability and service as it is another step in their effort to tighten their grip on the New England power market. They have flatly refused to permit the publicly owned utilities to join in a regional transmission system.

As I pointed out earlier, Mr. President, one of the great advantages of the Dickey-Lincoln School project has been its careful planning in terms of conservation of the natural resources of northern Maine. In recent weeks we have received complaints from some conservationists who have apparently forgotten that one of the key features of the project is the preservation of the Allagash as a free-flowing river, protected in a cooperative venture by the U.S. Government and the State of Maine.

Gifford Pinchot, one of our country's greatest conservationists, defined conservation as "the wise use of the earth and its resources for the lasting good of men." He said:

Conservation is the foresighted utilization, preservation and/or renewal of forests, waters, lands and minerals, for the greatest good of the greatest number for the longest time.

Dickey-Lincoln School is part of a national resource development and protection program which is consistent with the Pinchot definition.

I ask unanimous consent that two letters I have received from the Department of the Interior and the Department of the Army, Corps of Engineers, be printed in the RECORD at this point. One is from Assistant Secretary of the Interior Kenneth Holum, and discusses the conservation considerations which entered into the original decision to recommend Dickey-Lincoln School. The second is from Brig. Gen. Charles C. Noble, Acting Director of Civil Works, Department of the Army. His letter outlines the steps being taken to protect the fish and wildlife habitat of the area.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., October 27, 1967.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: This is in response to your inquiry as to whether the Saint John River has ever been considered for wild river status in connection with proposed wild and scenic rivers legislation. You asked, also, for our comments on the resolution adopted by the Associated Sportsman's Clubs of Cumberland County on July 27, 1967, and the comments of the Natural Resources Council of Maine relating to the planning and construction of the Dickey-Lincoln School Project on the Upper Saint John River.

The Saint John River, in toto, has never been studied or proposed by this Department or considered by the Congress for wild or scenic river status. Confusion on this matter may have arisen from the fact that the Allagash River, a tributary of the Saint John which flows into the Saint John River below the Dickey Dam site and above the low Lincoln School Dam site, was proposed and has been committed to preservation as a free-flowing river. The Department of the Interior first suggested preservation of the Allagash in connection with the New England-New York Inter-Agency Committee survey and the proposal was identified in the Inter-Agency Committee's report issued in 1955. In that report, also, the Department of the Interior proposed that the Dickey-Lincoln School site be considered as an alternate to the Rankin Rapids site in order to avoid flooding the Allagash River and thus destroying the natural character of that stream.

Following the initial proposal around 1955, several studies were made of the Allagash, looking toward its preservation as a free-flowing river. The Department of the Interior fully supported such status and recommended that the area be managed by the State of Maine. In January 1966, the Maine Legislature passed the Allagash Riverway Act, a special act of legislation establishing the Allagash Wilderness Waterway. In November 1966, the people of the State of Maine approved a $1.5 million bond issue to finance the acquisition and protection of the area. Following these actions by the State, the Secretary of the Interior matched the State portion with a $1.5 million grant from the Land and Water Conservation Fund.

A further area of confusion may arise from the fact that the proposed Wild Rivers legislation now under consideration in the Congress contains a provision which would enable the Allagash Wilderness Waterway area to be included as part of the proposed National Wild Scenic Rivers system, although it would remain a State-managed area. This provision would further protect the Allagash from uses and developments noncompatible with the Wild River program.

We would call attention to the fact that the Saint John River down stream from the Lincoln School Dam site becomes the boundary between northern Maine and Canada. For the rest of its length, it flows through Canada. Thus, that portion of the Saint John River which is an international river could not be designated a part of the United States wild or scenic rivers system.

The Department of the Interior's response to the resolution of the Associated Sportsman's Clubs of Cumberland County is the subject of the enclosed copy of our September 21 letter to Mr. Edward T. Allen, Secretary of the organization. You will note that this letter was prepared in coordination with the Corps of Engineers.

It seems to us that both the Maine Natural Resources Council and the Associated Sportsman's Clubs are confusing the question of conservation planning and recreational development with the issue as to whether the Dickey-Lincoln School Project should be built. I want to take this opportunity to again point out that the development of the Upper Saint John River was planned giving the fullest consideration to conservation and proper utilization of our natural resources. As pointed out above, the selection of the Dickey-Lincoln School Project was done in such a manner so as to preserve the Allagash Wilderness Waterway.

In the preconstruction planning for the Dickey-Lincoln School Project, the Fish and Wildlife Service has been preparing necessary studies which will enable them to recommend fish and wildlife measures for incorporation in the over-all plan for the Dickey-Lincoln School Project. We expect the Fish and Wildlife report to indicate specifically those features which will be required to enhance fish and wildlife resources in the area and to compensate for changes in habitat and access. We anticipate that the report of the Fish and Wildlife Service will be available some time before the first of the year.

After the preconstruction planning is completed and the Dickey-Lincoln School Project enters the early construction stage, our Bureau of Outdoor Recreation and Fish and Wildlife Service will be working with the Corps of Engineers and the State and local agencies to prepare an over-all recreation plan. This plan will be incorporated as part of the constructed project.

In summary, let me reiterate, the Saint John River has not been studied or proposed for wild river status; nor has it been included in any of the several bills submitted to establish a wild or scenic rivers system. It should be quite clear that the Corps of Engineers, the responsible agencies of this Department, and Secretary Udall, personally, have given full consideration to the proper planning of the Upper Saint John River development. We can, therefore, again assure you and others that construction of the Dickey-Lincoln School Project does, and will, make the best utilization of the natural resources of the Upper Saint John River basin.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., September 21, 1967.

Mr. EDWARD T. ALLEN,
Associated Sportsman's Club, of Cumberland County, Portland, Maine.

DEAR MR. ALLEN: Thank you for your letter of August 7, 1967, outlining the resolution adopted by the Associated Sportsman's Clubs of Cumberland County, Maine, regarding the Dickey-Lincoln School project.

The Secretary has consistently and vigorously opposed any development of the Saint John River which would flood the Allagash River. The Dickey-Lincoln School project will preserve for future generations, the superb Allagash recreational area, one of the finest wilderness areas in this country.

In collaboration with the Corps of Engineers, we are submitting the following comments which we trust will be helpful to you:

Actually the Dickey impoundment, at maximum power pool elevation 910, would inundate approximately 86,000 acres, or approximately 135 square miles, using a conversion factor of 640 acres per square mile.

The Dickey Reservoir at elevation 910 would inundate approximately 53 miles of the St. John River, 25 miles of the Little Black River, 65 miles of the Big Black River, 7 miles of Pocwock Stream, 4 miles of Chimenticook Stream, and 65 miles of other smaller named streams. The Lincoln School reregulating pool, at elevation 610 would inundate 11 miles of the St. John River.

The report by the U.S. Fish and Wildlife Service on the Rankin Rapids Reservoir, dated October 1, 1959, contains an evaluation of the fish and wildlife resources of the St. John and Allagash River areas. In this report, the Fish and Wildlife Service suggested that investigations be made for development of the Big Rapids-Lincoln School Reservoir in lieu of the Rankin Rapids project, which would have inundated a major portion of the Allagash and St. John Rivers. The Big

Rapids project, which would have been basically the same as the Dickey project except that the damsite would be located farther upstream, was suggested as it would have far less detrimental effects on the fish and wildlife resources of the area.

The report assessed the St. John River and its tributaries as having excellent seasonal trout habitat, with brook trout well dispersed and active during spring, early summer and fall. However, it stated:

"In comparison to the St. John River and its tributaries, trout habitat in the Allagash drainage is superior in both quality and quantity. Water levels are far more stable and the stream channel, in general, is deeper."

The Allagash is also a far greater canoe stream than the St. John. For example, a reconnaissance trip was made of the St. John River early this summer by a civil engineer and a fishery biologist of the New England Division, Corps of Engineers. They floated the river from the southwest branch approximately 110 miles to the Dickey damsite in four days. Both are experienced avid canoeists. Although the trip was very enjoyable and exciting to both, they found the river to be very shallow in many areas requiring them to do much pushing and pulling while walking beside the canoe. The run through the steps at the Big Black Rapids was the highlight of the trip.

The party learned that thirty parties made this trip in 1966 as compared to 2,000 parties on the Allagash in the same period. This year, particularly favorable for canoeing, an estimated 150 parties may make the St. John trip as compared to 3,000 on the Allagash. The Dickey Dam was located above the mouth of the Allagash River expressly to preserve the wilderness canoe trip region of the Allagash, although a dam located farther downstream in the vicinity of Renkin Rapids would be more advantageous as far as power production is concerned.

The statement is correct that the flooded area would destroy deer range including 34 known deer yards and displace countless hundreds of fur bearing animals. In this respect, all possible measures will be taken to minimize the adverse effects of the project on fish and wildlife. Provisions will be made to mitigate to the fullest extent possible any losses of fish and wildlife habitats as recommended by the State and Federal agencies. Mitigation measures that could be provided, if warranted, would be acquisition of suitable land, including proper management, to replace the lost deer yards.

The maximum drawdown of the project would be 40 feet between elevation 910 and 870. However, this would not happen in any one year. The average annual drawdown between April 15 and October 15 would be 10 feet. The heaviest drawdown period would be in the winter months due to the larger power demands in that season. Due to the generally precipitous nature of Dickey Reservoir area, it is not considered that the shoreline areas when exposed would have the graphic features of mudflats.

It is not known how a day would be lost from the Allagash canoe trip. The maximum pool of the Lincoln School project at elevation 610 would back up the Allagash River approximately 2.0 miles and would eliminate the oxbow just above the confluence with the St. John. The most northern limit of the Allagash Wilderness Waterway, as established by State law in 1966, is the confluence of West Twin Brook with the Allagash. This point is 2¼ miles upstream of the 610 contour of the Lincoln School pool.

The Corps of Engineers, in planning a project of this type, always considers the recreational aspects. In the case of Dickey, we have a new lake which, in size, will be about 15 percent larger than the Moosehead. This will have a profound impact on the recreational pattern of the area as time goes on and as Maine continues to develop its recreational appeal to the nation.

The creation of a lake the size of the Dickey Reservoir, adjacent to the Allagash Wilderness Area, will provide tremendous recreational facilities for boating, camping, lake fishing and access by water to areas not now accessible to the general public. Mr. Lawrence Stuart, Director, State Park and Recreation Commission, Augusta, Maine, in a letter dated March 15, 1966, to the Corps of Engineers, stated "It would seem to me only reasonable in connection with this reservoir that there would be a sizable recreation area comparable to a state park facility. . . ."

We recognize the importance of the nonmonetary aspects and that there will be losses to existing fish and wildlife habitat. On the other hand, there will be the gains of lake recreation. Our planning for the provision of lake-type recreational facilities is in itself a major effort and, frankly, we are just beginning. In this we are and will continue to work with State and Federal recreation and Fish and Wildlife agencies.

All possible measures will be taken to minimize the adverse effects of the project on fish and wildlife. Provisions will be made to mitigate to the fullest extent possible any losses of fish and wildlife habitats as recommended by the State and Federal agencies. Mitigation measures that could be provided, if warranted, would be acquisition of suitable land, including proper management, to replace the lost deer yards. A fish hatchery could also be provided to stock the lake with suitable game fish.

The estimated cost of the Dickey-Lincoln School project, including interest during construction, is $235,400,000, not $400,000,000. While it is true that the cost of energy produced by nuclear plants is coming down, they are not suitable to supply the relatively short time peak demands for electricity. Nuclear-fueled plants and conventional fossil-fueled plants operate at maximum efficiency under relatively constant load conditions. Hydro-electric plants, on the other hand, can rapidly adjust to varying load demands and can easily be shut down or started as required. If a source of natural streamflow is not available, pumped storage hydro-electric plants are often used as sources of peaking power. It should be pointed out that pumped-storage plants do not produce energy, but actually consume energy, requiring approximately 3 kilowatt hours of pumping energy for every 2 kilowatts they generate.

In a report by the Federal Power Commission in July of this year on the Northeast power failure of November 9 and 10, 1965, it was stated that where hydro-electric power is readily available, systems are relying upon this source for quick start-up power, and then are arranging circuits for simplified switching in time of need. Systems which had access to hydro-electric power were among the first to restore service on November 9. Nine utilities in the Northeast have made changes in facilities or operating instructions to assure that hydro-electric power can be routed to thermal plants for station service.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

DEPARTMENT OF THE ARMY, OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., October 26, 1967.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: I welcome the opportunity to comment on the letter you received from Mr. Clinton B. Townsend, President, Natural Resources Council of Maine.

Mr. Townsend is concerned only about preserving the natural resources of the Saint John River in their present state. In this form they benefit only the few hardy people who are able to venture into this wilderness area. For example, a reconnaissance party from our New England Division office made the Saint John canoe trip this July. The party learned that thirty (30) parties made this trip in 1966 as compared to two thousand (2,000) parties on the Allagash in the same period. This year, particularly favorable for canoeing, an estimated one hundred fifty parties (150) may make the Saint John trip as compared to three thousand (3,000) on the Allagash. The Dickey Dam was located above the mouth of the Allagash River expressly to preserve the wilderness canoe trip region of the Allagash although a dam located farther downstream in the vicinity of Rankin Rapids would be more advantageous as far as power production is concerned.

Mr. Townsend is correct in his statement that no public hearings have been held in the State of Maine by the Corps of Engineers or by the Department of the Interior. However, much publicity has been given the project in the press and over the radio and television stations of Maine. A meeting, sponsored by the Fort Kent Chamber of Commerce, was held at Fort Kent on April 16, 1964. This was attended by over 500 people of the area. Mr. Kenneth Holum, Assistant Secretary of the Interior, was the principal speaker. Governor Reed, of Maine, and Premier Robichaud, of New Brunswick, also spoke in favor of the project. Mr. John W. Leslie, Chief, Engineering Division, of our New England Division office, presented a paper on the project before an annual meeting of the American Society of Civil Engineers at the University of Maine on November 5, 1965. In March 1966, Mr. Leslie spoke at a dinner party by the Fort Kent Chamber of Commerce before 150 people.

A community meeting, sponsored and arranged by Mr. Thomas C. Sweetser, Extension Agent at Presque Isle, Maine, and Mrs. Marilyn Plissey, Extension Agent at Fort Kent, Maine, was held in the Allagash High School, Allagash, on January 22, 1966. About 50 people attended this meeting at which a representative from the New England Division discussed various aspects of the project as it would affect the local economy. Several meetings have been held with representatives of the timber landowners and Mr. Austin Wilkins, Maine Commissioner of Forest Service. On the 19th of June 1967, Mr. Leslie and Colonel Remi O. Renier, Acting Division Engineer of our New England Division, briefed both Houses of the Maine Legislature on the Dickey-Lincoln School project.

Governor Curtis, as you know, has established a Task Force to develop practical plans for the people of the area as regards their health, education, welfare, housing, and employment. One of the important duties of this Task Force will be to determine the capabilities of the land and water resources so that reasonable use may be made of the available land. The first meeting of this group was held at the State House, Augusta, Maine, on August 31, 1967. An Ad Hoc Committee was established to define all problem areas associated with developments in the area and to determine the means for their resolution.

The Corps of Engineers in planning a project of this type always considers the recreational aspects. In the case of Dickey, we have a new lake which, in size, will be about 15% larger than Moosehead. This will have a profound impact on the recreational pattern of the area as time goes on and as Maine continues to develop its recreational appeal to the nation. The creation of a lake the size of the Dickey reservoir, adjacent to the Allagash Wilderness Area, will provide tremendous recreational facilities for boating, camping, lake fishing, and access by water to areas not now accessible to the general public. Mr. Lawrence Stuart, Director, State Park and Recreation Commission, Augusta, Maine, stated in a letter to this office, March 15, 1966, "It would seem to me only

reasonable in connection with this reservoir that there would be a sizable recreation area comparable to a state park facility. . . ."

We recognize, along with Mr. Townsend, the importance of the non-monetary aspects and that there will be changes to existing fish and wildlife habitat. On the other hand, there will be the gains of lake recreation. Our planning for the provision of lake-type recreational facilities is in itself a major effort and, frankly, we are just beginning. In this we are and will continue to work with state and federal recreation and fish and wildlife agencies.

Our design effort has been concentrated on those features of the project required to enable construction to start at the earliest possible date. The recreational features of the project, which are not critical to initiation of construction, will be studied in detail with full coordination with the appropriate state and federal agencies.

All possible measures will be taken to minimize any possible effects of the project on fish and wildlife habitats as recommended by the state and federal agencies. Measures that would be provided, if warranted, include acquisition of suitable land, including proper management, to replace the lost deer yards and a fish hatchery to stock the lake with suitable game fish.

The loss of prime timberland is surprisingly small. In fact, a study of the aerial photographs of the area to be inundated by the Dickey reservoir reveals that almost no timbering has been done in the area below the proposed water line. The forest landowners will, of course, be paid the fair market value for their land and any merchantable timber on it and will have the option to remove timber at the time of sale.

With regard to clearing, every effort will be made to coordinate the reservoir clearing operations to the extent that maximum benefit will be derived from the salvage of the useable timber. The vertical limits of reservoir clearing will extend from up to 3 feet above the maximum power pool down to 5 feet below the 10 year frequency drawdown. Under normal projects operations, therefore, no trees or stumps will ever be exposed.

The Division Engineer believes specific recommendations should be developed by additional studies prior to scheduling full scale public hearings. The time required to complete these studies will be governed by the availability of additional planning funds.

Sincerely yours,

CHARLES C. NOBLE,
Brigadier General, U.S. Army, Acting Director of Civil Works.

Mr. MUSKIE. In another effort to detract from Dickey-Lincoln School, the private power companies have attacked the project as a "subsidized" venture while suggesting that they never receive subsidies or any other considerations. The fact is, of course, that the companies benefit from the assured rate of return which is part of the consideration granted a public utility, and in their heavily advertised nuclear powerplants, they have been receiving considerable assistance from the public investment in nuclear technology development and in indirect assistance under the Federal atomic energy program.

I would like to call my colleagues' attention to the subsidies received by the Yankee Atomic Plant at Rowe, Mass., the only operating nuclear power facility in New England.

First. Research and development assistance: $5 million is the cost of AEC assistance in the design, engineering, and fabrication of the reactor portion of the plant.

Second. Waiver of fuel use charge: $3.7 million was the cost of the initial load of fuel in the reactor. This fuel was supplied free of charge by the AEC—enriched uranium from Oak Ridge—as part of the AEC's role due to the experimental nature of the reactor. Subsequent loadings of the reactor have been paid for by the utilities.

Third. Plutonium buyback: $2.1 million. At the time of construction of the Rowe, Mass., plant, there was no private market for uranium and, therefore, had the AEC not agreed to buy back the plutonium, the utilities would have had to dispose of it as waste.

The subsidies I have listed will not be available to the nuclear powerplants being constructed, considered or advertised in the New England area, but the new plants will continue to receive the benefits of nearly $2 billion the Atomic Energy Commission has spent in research and development of the civilian nuclear power program and related reactor technology and safety programs, and the incentives provided by the Price-Anderson Indemnity Act which provides liability protection between the coverage provided by private insurance companies and total liability of $560 million. In the instance of the Connecticut Yankee Atomic Plant, the utility will be able to obtain $486 million worth of liability coverage from the Federal Government at a cost of $44,000 per year, while obtaining only $74 million worth of liability insurance from private sources for $280,000 a year.

I do not object to these incentives, or subsidies. They are designed to accomplish a positive public good. I do object to the doubletalk we get on the subsidy question.

This question was raised frequently before the Joint Atomic Energy Committee during hearings on renewal of that program. The statements by the utility executives speak for themselves:

In response to the following question from Representative HOSMER, Mr. Francis E. Drake, vice president, Rochester Gas & Electric Corp., had an interesting comment:

Representative HOSMER. In the light of your answer to Mr. Price, how do you view this Price-Anderson thing? A lot of people say this is a big subsidy. Some other people say it is a method, technique, to permit the installation of nuclear electric generating plants in this country. I suppose there are some other variations in concept of its philosophy. What is Rochester's view, yours in particular?"

Mr. DRAKE. My view, Congressman Hosmer, is that the Price-Anderson indemnity provision has been a most effective encouragement to the private industry and also the manufacturing industry to go forward with an industry which is in the public interest. Nuclear power as a source of energy is one that we are all very optimistic about. Without the Price-Anderson Act, I do not think that the progress we have made would have been made and could have been made in the industry. I think it has been very farsighted of the committee and of Congress to have passed the Price-Anderson Act.

Mr. George C. Kinsman, vice president, Florida Power & Light Co., said the following:

Because of our interest in nuclear power, we are concerned about extension of the Price-Anderson law. The importance of the extension is emphasized by the inclusion in the first proposal we have received on our nuclear project which contains the following statement: "The offer is based on the extension of governmental indemnification authority." This indicates to us that this matter is considered essential by the manufacturing industry.

And adding an interesting colloquy with Representative PRICE on the subject:

Representative PRICE. Mr. Kinsman, you say in your statement that this matter—the extension of the Price-Anderson Act—is considered essential by the manufacturing industry. Now what about the utility industry and particularly what does your company think about the necessity of extension of this act?

Mr. KINSMAN. We feel the same way, Mr. Price.

Representative PRICE. You think it is essential to the continuation of the nuclear power development program?

Mr. KINSMAN. Yes sir; I do.

Mr. James Davenport, executive vice president, Southern California Edison Co., stated:

We believe that it would be unwise to remove the aggregate limitation of liability provided by the Price-Anderson Act. The removal of this feature of the Price-Anderson system would result in the exposure to uninsured liability claims which also could be a deterrent to future developments in the nuclear energy field.

We believe that the Price-Anderson program is fully warranted since it is the only means of providing the necessary nuclear liability coverage for the nuclear power industry.

In connection with the subsidy argument, Mr. President, it should be noted that the Dickey-Lincoln School project would repay the entire Federal investment, with interest, in 50 years. It will return to the Federal Treasury nearly $2 for every one of the $227 million in Federal funds invested in the project during that time period. It will continue to pay a substantial return on the public investment many, many years beyond the end of the payback period.

I have yet to hear one private power company offer to reimburse the Federal treasury for the nearly $2 billion Federal investment in the civil nuclear reactor program.

Mr. President, I think the record should be clear that the Dickey-Lincoln School project has met the tests of national interest and economic feasibility. In addition, it has overwhelming support in the State of Maine. Two Maine Governors—one Republican, one Democrat—two Maine Senators—Mrs. SMITH and I—three Maine Congressmen—one Republican and two Democrats—and two Maine Legislatures—one Republican and one Democratic—have supported this project since it was sent to Congress.

In spite of all these factors, a majority of the House of Representatives has opposed the project. In considering the disagreement between the Senate and the House, I hope my colleagues will keep the following facts in mind—in addition to those which I have outlined on the substantive issues:

First, the northeastern area of the United States—and New England in particular—has not received the heavy investment in resource development funds which has been accorded other regions.

From 1960 to 1966, the per capita distribution of public works authorizations showed a consistent pattern of large investments in areas outside the Northeast, as demonstrated in the following table:

Region:	Per Capita
Northeast	$18.98
Midwest	31.17
South	40.84
Southwest	54.06
Far West	51.08

In this year's public works appropriations bill, the pattern is continued:

Region:	Per capita
Northeast	$1.77
Midwest	4.73
South	7.83
Southwest	7.49
Far West	11.81

New England's allocation is only $1.57 per capita.

Second, many of the opponents of the Dickey-Lincoln School project have been inconsistent in their positions on the public works appropriations bill, voting against Dickey-Lincoln School—which has a benefit-cost ratio of 1.91 to 1—while supporting rivers and harbors projects in their own districts which do not measure up to the Maine project.

In the July 25 vote in the House of Representatives, Congressmen representing districts in which 193 projects covered by the bill were located voted against the Dickey-Lincoln School project. 134 of those projects, with appropriations totaling $241,527,000, had no benefit-cost estimate or had a benefit-cost ratio of less than 1.9–1. This represented 24 percent of the total appropriations approved by the Senate for construction and planning of public works projects.

In the October 25 vote in the House, there were a number of individual shifts in connection with the Dickey-Lincoln School project. Of the projects contained in the conference report, 132 having no benefit-cost estimate or a ratio less than 1.9 to 1 are located in the districts of Congressmen who voted against Dickey-Lincoln School on October 25. Appropriations for these projects totaled $234,155,000, or 24 percent of the total recommendation of $968,474,000.

I cite these figures to demonstrate that there is no consistency in the opposition to Dickey-Lincoln School, that the House position threatens a national policy based on the merits and economic feasibility of projects, and that our region is not one to be placed at the top of the list for cutting back on public works projects.

I urge my colleagues to support the Senate position and to insist that the Dickey-Lincoln School project be included in the Public Works Appropriations Act of 1968.

Mr. President, I yield the floor.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1968

The Senate resumed the consideration of the bill (H.R. 8569) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1968, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, the bill before us provides an appropriation of $504,960,100. This represents an increase over the House-passed bill of $41,622,400, and it would be $33,435,100 under the budget estimates.

The amount recommended in this bill is $83,147,200 over the appropriations for 1967.

For operating expenses, the bill provides a total of $381,647,600, which is $5,757,900 over the House-passed bill.

For capital outlay items the bill provides a total of $115,552,500, which represents an increase of $35,894,500 over the House allowance.

The Senate Appropriations Committee has increased the Federal payment to the general fund by $12 million over the House allowance of $56 million, making a total of $68 million in the bill before us. This sum is $2 million under the $70 million authorization.

The bill before us provides a total in Federal loans of $79.2 million. This is $31.1 million above the House allowance of $48.1 million. The increase consists of the restoration of $1.5 million deleted by the House and the approval of $29.6 million of the $40.1 million request contained in supplemental estimates submitted in Senate Document No. 54. The bill adds $25.2 million in loan authority for public building construction over the House figure of $31.8 million and, in addition, allows $5.9 million for higher education capital outlay.

The funds provided for under the bill before us allow for a reserve of $11,057,000 for contingent expenses as follows: $1,042,000 for indefinite appropriations; $1,522,000 for wage board increases for regular employees and food service and laundry workers; $164,000 for salary increases for interns and resident doctors; $3,286,000 for classified pay increases of 4.5 percent estimated to be effective October 1, 1967; $1,642,000 for pay increases of 7.2 percent for policemen and firemen, as estimated, to be effective January 1, 1968; and $3,401,000 for raises of 8.3 percent for schoolteachers, as estimated, to be effective January 1, 1968.

Mr. President, of the $41,622,400 increase over the House allowance, capital outlay items amount to $35,894,500. The increases in operating expenses over the House-passed bill are broken down, in part, as follows: For general operating expenses, $624,700; public safety, $546,700; education, $3,751,900; health and welfare, $1,343,900.

Those, I believe, are the items of greatest interest to the general public.

Mr. President, I ask unanimous consent to have printed at the close of my remarks a table which will provide additional facts concerning operating expenses and capital outlay as well as repayment of loans and interest.

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

(See exhibit 1.)

Mr. BYRD of West Virginia. The total for the Metropolitan Police Department is $44,870,900, a reduction of $179,700 below the House allocation, resulting only from savings as a result of delay in the passage of the bill. Language is recommended to expend the unobligated balance of $670,000 provided in 1967 appropriations for communications equipment.

Officials in the department advised the committee last week that there were 376 vacant positions in the authorized strength of 3,100.

For the fire department the committee allowed $20,431,700, a reduction of $33,100 below the House allowance, again resulting from savings because of the delay of passage of the bill.

Mr. President, other than the savings that arose as a result of the delay in passage of the bill, the Committee on Appropriations allowed every dime requested by the Metropolitan Police Department.

The committee was very liberal in its recommendations as to appropriations for the courts in the District of Columbia. The bill before us provides for a net increase of $603,300 over the House allowance. This increase will provide 13 positions and related services for the Juvenile Court, including a research analyst, a statistician and secretary to establish a research unit, eight probation officers, and other personnel.

Seventy positions and related services are allowed for the District of Columbia Court of General Sessions, 64 of which were included in the supplemental estimate to the Senate.

The bill provides an increase of $21,300 for the annual retirement pay of a judge of the District of Columbia Court of Appeals and payment for extra work by retired judges.

Eight positions are included to allow for expansion of services of the Legal Aid Agency and three positions for improvement of services in the District of Columbia Ball Agency.

The Committee on Appropriations allowed 415 new teaching positions in the public schools of the District of Columbia, plus certain sums of money for teachers for special assignment purposes, and so forth. I wish to say here again that the Senate Committee on Appropriations allowed every teaching position requested for the public schools in the District of Columbia.

The House of Representatives had approved 362 such positions. This will, therefore, provide a total of 777 positions under supervision and instruction.

Moreover, the Senate committee provided 75 prekindergarten relocatable classrooms and is requiring that the cost of the teachers be paid from impact funds.

The committee approved 25 assistant principals for elementary schools, and 13 elementary school supervisors to meet Board of Education staffing ratios. It provided an assistant principal for senior high schools.

The committee approved the entire request for 257 positions and $1.4 million contained in Senate Document No. 54 to provide staff to plan for the beginning of operations of the Federal City College and the Washington Technical Institute.

A capital outlay item of $5.9 million was provided for these higher education functions.

Increases provided for the Recreation Department would allow five positions and related services for recreation services in the District of Columbia General Hospital Center for the Mentally Retarded, and expansion of the Washington Youth Gardens program, additional positions for a Mental Health Center and Day Camp for the Mentally Retarded, and nine positions and related services for a program for the mentally retarded as proposed in Senate Document No. 54.

An increase of $25,992,500 in capital outlay items for public schools will provide for the following: purchase of sites for two new junior high schools, one junior high school addition, two new elementary schools, one elementary school replacement, and one elementary school addition. It will provide for the purchase of site and plans and specifications for six elementary school additions, five elementary school replacements, and one new elementary school. It will provide for the preparation of plans and specifications for one senior high school addition and one new elementary school. It will provide for plans and specifications, and construction for one senior high school addition and one elementary school addition.

It will provide for plans and specifications, and construction and equipment for one elementary school addition and, of course, for the 75 pre-kindergarten relocatable classrooms to which I have alluded.

Finally, it will provide for one senior high school addition and one junior high school addition.

The bill provides an increase of $181,500 for air conditioning two existing branch libraries—Benning and Tenley-Friendship.

The bill provides for plans and specifications for three playgrounds and one recreation center for the mentally retarded, a site for one playground expansion; plans and specifications, construction and equipment for one community center; and it provides for construction and equipment for one swimming pool, one community center with swimming pool, and one playground.

Funds are allowed in the bill for preliminary survey for a new Receiving Home for Children and construction and equipment for the replacement of the Farm Cottage at the District Training School.

The Senate committee approved funds for a preliminary survey for a new District Court Building and the continuation of the air-conditioning program in various District-owned buildings.

I ask unanimous consent to have printed in the RECORD at the close of my remarks, as exhibit 2, a summary of capital outlay items.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. BYRD of West Virginia. Mr. President, I believe it is anticipated that there will be a surplus in the general fund as of next June 30 of $71,000.

Mr. President, this completes my statement concerning the appropriations in the bill now before the Senate. Together with the tables which I am placing in the RECORD, this would seem to present a pretty clear picture of what is contained in the bill making appropriations for the District of Columbia for the fiscal year 1968. The Senate committee delayed bringing the bill to the floor until the revenue bill could be enacted and the supplemental estimates could be submitted. The bill before the Senate includes both the regular and supplemental estimates.

Mr. President, I believe that this is a very good bill. The committee held many days of hearings on it. Senators will note that the hearings consist of three volumes containing more than 3,500 pages.

I especially invite the attention of Senators to certain language in the committee report with reference to crime and court congestion in the District of Columbia. As Senators will recall, the committee conducted a series of hearings into the crime situation during the summer. I believe that those hearings were most productive and useful.

I want to express my gratitude, in closing, to members of the subcommittee and to the members of the full committee for the time and effort contributed by them during the hearings and during the markup of the bill.

Especially do I want to express my genuine and heartfelt thanks to the Senator from Nebraska [Mr. HRUSKA], the ranking minority member. At all times, he was most interested, most active, and most helpful. I have leaned upon him for his help and advice. I am indeed very grateful for the assistance which he gave to me throughout the hearings and especially during the markup of the bill.

I also want to express my appreciation to Mr. Merrick, the very able clerk of the subcommittee, for his invaluable service. Mr. Merrick has been a member of the Appropriations Committee staff for more than two decades. He has had long experience in dealing with this particular bill as well as with the State, Commerce, and Justice appropriation bill. His advice and assistance to me, and to the Senator from Nebraska [Mr. HRUSKA], and other members of the subcommittee, have been of incalculable worth.

I am sure that I could not do the work I have attempted to do as chairman of the subcommittee, close to 8 years now, without the strong right arm which Mr. Merrick, the clerk of the committee, has been to me.

Thus, Mr. President, I feel that Senators can vote for the bill knowing that it is the result of the utmost study, and the most painstaking and meticulous scrutiny on the part of the subcommittee, and that they will be voting for the best appropriation bill ever brought to the Senate during the 8 years in which I have been chairman.

The committee has been extremely lenient, liberal, and sympathetic to the needs of the schools. It has been our view that a dollar invested in education over the long run perhaps brings more beneficial return than will accrue from the expenditure of any other single dollar. The committee has attempted to act according to that belief.

The committee has also given its strong support to the police department. I think that the appropriations year after year have reflected the faith and the confidence which the committee and Congress have in the police of this city who are confronted with an increasingly difficult task.

We feel that the appropriations in the bill now before the Senate reflect a continuation of that strong support.

Mr. President, this completes my statement. If there are questions on tomorrow, I shall be glad to attempt to answer them.

EXHIBIT 1

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR FISCAL YEAR 1967 AND ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1968

Item	Appropriations, 1967	Budget estimates, 1968 (revised	House bill	Senate committee recommendation, 1968	Increase (+) or decrease (−), Senate bill compared with— Appropriations, 1967	Budget estimates, 1968 (revised)	House bill
DISTRICT OF COLUMBIA FUNDS							
OPERATING EXPENSES							
General operating expenses	$23,213,500	$28,018,000	$25,885,000	$26,509,700	+$3,296,200	−$1,508,300	+$624,700
Public safety	90,392,400	93,433,000	91,995,000	92,541,700	+2,149,300	−891,300	+546,700
Education	85,914,000	102,999,000	93,730,000	97,481,900	+11,567,900	−5,517,100	+3,751,900
Parks and recreation	12,752,200	17,747,000	15,906,000	15,120,900	+2,368,700	−2,626,100	−785,100
Health and welfare	90,522,000	107,615,000	103,439,000	104,782,900	+14,260,900	−2,832,100	+1,343,900
Highways and traffic	15,227,000	16,307,000	16,705,000	16,627,300	+1,400,300	+320,200	−77,700
Sanitary engineering	24,542,500	26,970,000	26,379,000	26,732,500	+2,190,000	−237,500	+353,500
Metropolitan Police (additional municipal services, American Legion convention)	233,000				−233,000		
Metropolitan Police (additional municipal services, Imperial Shrine convention)		237,700	237,700	237,000	+237,700		
Personal services, wage-board employees	1,320,000	1,613,000	1,613,000	1,613,000	+293,000		
Settlement of claims and suits	60,700				−60,700		
Total, operating expenses	344,177,300	394,939,700	375,889,700	381,647,600	+37,470,300	−13,292,100	+5,757,900

EXHIBIT 1—Continued

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR FISCAL YEAR 1967 AND ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1968—Continued

Item	Appropriations, 1967	Budget estimates, 1968 (revised)	House bill	Senate committee recommendation, 1968	Increase (+) or decrease (−), Senate bill compared with— Appropriations, 1967	Budget estimates, 1968 (revised)	House bill
REPAYMENT OF LOANS AND INTEREST							
Reimbursement to the United States	$6,077,600	$7,790,000	$7,790,000	$7,760,000	+$1,632,400	−$30,000	−$30,000
CAPITAL OUTLAY							
Capital outlay	67,030,500	135,665,500	79,658,000	115,552,500	+48,522,000	−20,113,000	+35,894,500
Contribution to rapid rail transit system	4,527,500						
Total, capital outlay	71,558,000	135,665,500	79,658,000	115,552,500	+43,994,500	−20,113,000	+35,894,500
Grand total, District of Columbia funds	421,812,900	538,395,200	463,337,700	504,960,100	+83,147,200	−33,435,100	+41,622,400

EXHIBIT 2

SUMMARY OF CAPITAL OUTLAY ITEMS

Item	Revised estimate	House allowance	Amendment requested	Senate recommendation
Repayment of Federal obligations	$1,246,600	$1,246,600		$1,246,600
Public building construction:				
Public schools:				
West Elementary School addition, Farragut between 13th and 14th Sts. NW	721,000		$721,000	721,000
Tubman Elementary School, 11th and Kenyon Sts. NW	99,000	99,000		99,000
Morgan Elementary School replacement, 18th and California Sts. NW	1,410,000		1,410,000	1,410,000
Bruce-Monroe Elementary Schools replacement, Girard and Fairmont Sts., between 13th and 14th Sts. NW	1,636,000		1,636,000	1,139,000
Harrison Elementary School addition, 13th and V Sts. NW	721,000		721,000	625,000
New Elementary School, Lincoln Rd. and Douglas St. NE	1,665,000	1,665,000		1,665,000
Brookland Elementary School replacement, 10th and Shepherd Sts. NE	245,000		245,000	245,000
Payne Elementary School addition, 15th and C Sts. SE	951,000	905,000		905,000
New Elementary School, 17th St. and Independence Ave. SE	1,324,000		1,324,000	
Blow-Pierce Elementary Schools replacement, 20th and Gales Sts. NE	93,000	93,000		93,000
New Elementary School, 19th and L Sts. NE	1,699,000		1,699,000	
Blair-Ludlow-Taylor Elementary Schools replacement, 6th and G Sts. NE	98,000	98,000		98,000
Peabody-Madison-Hayes Elementary Schools replacement, 9th and C Sts. NE	900,000		401,000	
Lovejoy-Edmonds Elementary Schools replacement, 12th and D Sts. NE	400,000			
New elementary school, 12th and C Sts. NE	912,000			
Thomas Elementary School addition and alterations, Anacostia Ave. and Grant St. NE	60,000	60,000		60,000
New elementary school, 40th St. and Lane Pl., NE	141,000		141,000	141,000
Carver Elementary School addition, 45th and Lee Sts. NE	403,000		403,000	403,000
Benning Elementary School replacement, Minnesota Ave. between Benning Rd. and Foote St. NE	417,000		417,000	417,000
New elementary school, 44th and Foote Sts. NE	704,000		704,000	704,000
Burrville Elementary School addition and alterations, Division Ave. and Hayes St. NE	372,000		372,000	372,000
Naile Elementary School addition and alterations, 50th and C Sts. SE	47,000	47,000		47,000
Shadd Elementary School addition, 56th and East Capitol Sts. SE	32,000	32,000		32,000
Weatherless Elementary School, Fort Chaplin Park SE	82,000	82,000		82,000
Weatherless Elementary School addition, Fort Chaplin Park SE	249,000		249,000	249,000
Savoy Elementary School replacement, 2427 Nichols Ave. SE	93,000	93,000		93,000
Ketcham Elementary School addition, 15th and U Sts. SE	1,050,000	990,000		990,000
Turner Elementary School addition, Stanton Rd. and Alabama Ave. SE	756,000	756,000		756,000
Birney Elementary School addition Nichols Ave. and Sumner Rd. SE	769,000	769,000		769,000
New elementary school, Fort Stanton Park SE	160,000	160,000		160,000
New elementary school, Alabama Ave. and Congress St. SE	401,000		401,000	401,000
Public building construction—Con.				
Public schools—Continued				
New elementary school, 32d and Bangor Sts. SE	$501,000		$501,000	$501,000
Beers Elementary School addition and alterations, Alabama Ave. and 36th Pl. SE	848,000	$848,000		848,000
Randle Highlands Elementary School addition, 30th and R Sts. SE	884,000	844,000		844,000
Orr Elementary School replacement, 22d and Prout Sts. NE	1,411,000		1,411,000	1,411,000
Seaton Elementary School replacement, 10th and P Sts. NW	99,000	99,000		99,000
Montgomery Elementary School addition, P St. between 5th St. and New Jersey Ave. NW	828,000		828,000	828,000
Gage-Eckington Elementary Schools replacement, 2d and U Sts. NW	1,353,000		1,353,000	1,353,000
New elementary school, Nichols Ave. and Chesapeake St. SW	1,431,000	1,355,000		1,355,000
Congress Heights Elementary School replacement, 6th St. and Alabama Ave. SE	1,440,000	1,440,000		1,440,000
Addition to new elementary school, Nichols Ave. and Chesapeake St. SW	374,000	374,000		74,000
Brent Elementary School replacement, 3d and D Sts. SE	65,000	65,000		65,000
Lenox Elementary School addition, 5th between G St. and Virginia Ave. SE	459,000		459,000	459,000
Takoma Elementary School replacement, Piney Branch Rd. and Dahlia St. NW	1,478,000	1,385,000		1,385,000
Shepherd Elementary School addition and alterations, 14th and Kalmia Rd. NW	543,500	543,500		550,500
Deal Junior High School addition, Fort Dr. and Nebraska Ave. NW	573,000	573,000		573,000
Taft Junior High School addition, 18th and Perry Sts. NE	1,306,000	1,221,000		1,221,000
Shaw Junior High School replacement location undetermined	4,720,000			
Garnet-Patterson Junior High School addition, 10th and J Sts. NW	1,588,000		1,588,000	1,464,000
Hamilton Junior High School, 6th St. and Brentwood Parkway NE	290,000	290,000		290,000
Browne Junior High School addition, 24th St. and Benning Rd. NE	1,536,000		1,460,000	1,460,000
Randell Junior High School addition, 1st and I Sts. SW	43,000	43,000		43,000
Hine Junior High School addition, 7th and C Sts. SE	1,060,000			
New junior high school, 51st and D Sts. SE	1,155,000		1,074,000	1,074,000
Johnson Junior High School, Bruce and Robinson Sts. SE	290,000	290,000		290,000
New junior high school, Oxon Run Parkway between 1st and Chesapeake Sts. SE	423,000		421,000	421,000
Wilson Senior High School addition and alterations, Nebraska Ave. and Chesapeake St. NW	1,020,000		1,462,000	1,462,000
Roosevelt Senior High School addition, 13th and Upshur Sts. NW	232,000		232,000	
Dunbar Senior High School addition and alterations, 1st and N Sts. NW	5,455,000		5,455,000	5,455,000
Spingarn-Phelps Stadium, 24th St. and Benning Rd. NE	504,000		504,000	
Ballou Senior High School addition, 3401 4th St. SE	2,685,000	2,685,000		2,685,000
Anacostia Senior High School addition, 16th and R Sts. SE	1,323,000		1,323,000	98,000
Sharpe Health School addition, 4300 13th St. NW	771,000	771,000		771,000
New school for the severely mentally retarded, Fort Totten Dr. and Hamilton St. NE	1,454,000	1,454,000		1,454,000

EXHIBIT 2—Continued

SUMMARY OF CAPITAL OUTLAY ITEMS—Continued

Item	Revised estimate	House allowance	Amendment requested	Senate recommendation
Public building construction—Con.				
Public schools—Continued				
Warehouse addition, 2000 Adams Pl. NE	$387,000		$387,000	
Prekindergarten-relocatable classes (75)	2,212,500		2,212,500	$2,212,500
Permanent improvements to existing buildings	3,736,374	$3,736,374		3,736,374
Adjustment due to change in cost estimates	221,126			
Rounding		226		226
Langdon Elementary School addition, 20th and Franklin Sts. NE			199,000	199,000
Moten Elementary School addition, Morris and Elvans Rds. SE			761,000	761,000
Total, public schools	63,269,500	23,866,100	32,474,500	49,858,600
Higher education: Federal City College and Washington Technical Institute			5,900,000	5,900,000
Public Library:				
New downtown central library, 9th and G Sts. NW	11,950,000	11,950,000		11,950,000
Air conditioning 2 branch library buildings, Benning and Tenley-Friendship branches	181,500		181,500	181,500
Total, Public Library	12,131,500	11,950,000	181,500	12,131,500
Recreation Department:				
Langdon Park (east) playground and swimming pool, 20th and Franklin Sts. NE	346,400	346,400		346,400
Upshur swimming pool and bathhouse, 14th St. and Arkansas Ave. NW	252,500	251,900		251,900
Fort Dupont swimming pool, Fort Dupont Park SE	25,000	25,000	257,000	282,000
Capitol east playground and natatorium, 7th St. and North Carolina Ave. SE	54,000	54,000		54,000
Kenilworth Courts Community Center and swimming pool, Anacostia Ave. extended and Quarles St. NE	50,000	50,000		50,000
Powell playground, 16th and Lamont Sts. NW	130,000	130,000		130,000
Brentwood Park Recreation Center, 6th St. and Brentwood Parkway at Penn St. NE	180,000	180,000		180,000
Chevy Chase Community Center, 5601 Connecticut Ave. NW	1,007,000		1,007,000	1,007,000
North Michigan Park playground, 13th and Emerson Sts. NE	185,000		185,000	185,000
Tot lots-parketts, throughout city where most needed	73,000		73,000	
Langdom Park (west) playground, 20th and Franklin Sts. NE	17,500		17,500	17,500
Park View playground, Warder St. and Princeton Pl. NW	6,000		6,000	6,000
Lincoln-Van Ness recreation center, 5th and L Sts. SE	35,000		35,000	35,000
Bald Eagle playground, Nichols Ave. and Joliet St. SW	16,000		16,000	16,000
Carbarn playground 14th and East Capitol Sts. NE	1,088,000		1,088,000	
Morgan-Happy Hollow playground, 18th St. and Kalorama Rd. NW	873,000		873,000	873,000
Wheatley playground, Montello Ave. and Neal St. NE	5,000	5,000		5,000
Adjustment due to changes in cost estimates	−238,000			
Kenilworth Courts Community Center and swimming pool ,Anacostia Ave. and Quarles St. NE			237,000	237,000
Total, Recreation Department	4,105,400	1,042,300	3,794,500	3,675,800
Police Department: New building and facilities for police training functions, adjacent to fire training school at Blue Plains	2,222,000	2,222,000		2,222,000
Fire Department:				
Engine company No. 6 and truck company No. 4 replacement, New York Ave. between 4th and 5th Sts. NW	49,000	49,000		49,000
Engine company No. 15 replacement, on present site at 14th and V Sts. SE., and additional District-owned adjoining land	5,000			
Total, Fire Department	54,000	49,000		49,000
Licenses and inspections: Rehabilitation of the municipal fish wharf, Maine Ave. SW	193,000			
Public health:				
Northwest community health center, including mental illness and mental retardation, vicinity of Georgia Ave. and W St. NW	400,000	400,000		400,000
Public building construction—Con.				
Public health—Continued				
Reconstruction and consolidation of buildings, District of Columbia General Hospital, 19th and C Sts. SE	$455,000	$455,000		$455,000
Completion of final phase of core building, District of Columbia General Hospital, 19th and C Sts SE	209,000		$209,000	209,000
Warehouse addition, District of Columbia General Hospital, 19th and C Sts. SE	900,000		900,000	
Facility for alcoholics, 19th and C Sts. SE	320,000		320,000	
Total, public health	2,284,000	855,000	1,429,000	1,064,000
Corrections:				
Metropolitan multipurpose correctional complex, Washington, D.C.	200,000		200,000	
Fly-ash control equipment, Reformatory Division	283,200	283,200		283,200
Utility barn replacement, Workhouse Division, Occoquan, Va	70,000			
Renovation of refrigeration unit, Reservation Supply Unit, Reformatory Division, Lorton, Va	2,000	2,000		2,000
Emergency generators, Reformatory and Youth Center heating plants, Reservation Institutions, Lorton, Va	401,000	401,000		401,000
Conversion of auditorium, workhouse, Occoquan, Va	(1)	(1)		
Addition to administration building, workhouse, Occoquan, Va	(1)	(1)		
Renovate 2 dormitories, workhouse, Occoquan, Va	(1)	(1)		
Convert 1 old-style dormitory into classrooms, education office, classification office, chapel, and canteen, Workhouse Division, Occoquan, Va	(1)	(1)		
Renovation of inmate dining hall, Workhouse Division, Occoquan, Va	(1)	(1)		
Adjustment due to change in cost estimates and reprograming	347,500			
Total, corrections	1,303,700	686,200	200,000	686,200
Public welfare:				
New receiving home for children, site undetermined	125,000		125,000	125,000
Replace farm cottages, District Training School, Children's Center, Laurel, Md	405,000		405,000	405,000
Construct 2 cottages for low-grade residents, District Training School, Children's Center, Laurel, Md	2,325,000			
Permanent improvements, various institutions	749,800	749,800		749,800
Total, public welfare	3,604,800	749,800	530,000	1,279,800
Buildings and grounds:				
West administration buildings, preliminary study, are bounded by 6th St., C St., and D St. NW	75,000		75,000	
New court building, preliminary study, site undetermined	100,000		100,000	100,000
Replacement of boilers, National Guard Armory, 2001 East Capitol St	330,000	330,000		330,000
Construct parking area, Southwest Health Center, I St. and Delaware Ave. SW	33,000		33,000	
Replacement of roofing and flashing, various buildings	88,000	88,000		88,000
Air-conditioning program, various buildings	300,000		300,000	300,000
Replace cooling equipment, various buildings	648,000	648,000		648,000
Total, buildings and grounds	1,574,000	1,066,000	508,000	1,466,000
Community renewal: Urban Progress Center			100,000	
Total, public building construction	90,741,900	42,486,400	45,117,500	78,332,900
Department of Highways and Traffic:				
Electrical improvements	568,000	568,000		568,000
Street improvements and extensions	3,211,000	[2] 2,961,000		[2] 2,961,000
Highway planning, programing, and research	400,000	400,000		400,000
Highway beautification	(3)	(3)		(3)
Safety improvements and realinement of streets	202,000	202,000		202,000
Interstate:				
Old 14th St. Bridge replacement	400,000	400,000		400,000
Center leg, Inner Loop Freeway	3,450,000	3,450,000		3,450,000
Northeast-North Central Freeway	2,560,000	2,560,000		2,560,000
Interchange C, inner loop	500,000	500,000		500,000

Footnotes at end of table.

EXHIBIT 2—Continued

SUMMARY OF CAPITAL OUTLAY ITEMS—Continued

Item	Revised estimate	House allowance	Amendment requested	Senate recommendation
Dept. of Highways and Traffic—Con.				
Interstate—Continued				
Potomac River Freeway	$900,000	$900,000		$900,000
East Leg, Inner Loop Freeway	1,500,000	1,500,000		1,500,000
North leg, central section, Inner Loop Freeway	600,000	600,000		600,000
North leg, west section, Inner Loop Freeway	1,500,000	1,500,000		1,500,000
Primary, secondary, and urban:				
Eastern Ave. NE., Quarles St. to Grant St	390,000	390,000		390,000
Southern Ave. SE., East Capitol to South Capitol Sts	460,000	460,000		460,000
New York Ave. NE., 36th Pl. to District of Columbia line	650,000	650,000		650,000
South Capitol St., South Capitol St. Bridge to District of Columbia line	50,000	50,000		50,000
11th St. NW., Irving St. to Park Rd. and Vermont Ave. to Florida Ave.	20,000	20,000		20,000
Emergency communication system, Anacostia Freeway	33,000	33,000		33,000
Randle Circle SE	75,000	75,000		75,000
Cover and heater on Federal-aid streets	352,000	352,000		352,000
Pavement markings, islands, and signs	680,000	680,000		680,000
K St. NE., railroad viaduct	(3)	(3)		(3)
Total, Department of Highways and Traffic	18,501,000	18,251,000		18,251,000
Department of Sanitary Engineering:				
Northwest garage, vicinity of 13th and S Sts. NW	1,572,000	1,572,000		1,572,000
Street-cleaning toolhouses	44,000	44,000		44,000
Sanitary land fill			$48,000	48,000
Stormwater sewers:				
Separation of combined system area	1,500,000	1,500,000		1,500,000
Storm sewer, West Anacostia River	2,400,000	2,400,000		2,400,000
Department of Sanitary Engineering—Continued				
Stormwater sewers—Continued				
Outfall sewer relief (points 17-6) from Poplar Point to junction opposite Hains Point	$500,000	$500,000		$500,000
Storm and relief sewers in advance of local highway paving	200,000	200,000		200,000
Storm sewers:				
East Rock Creek	200,000	200,000		200,000
East Anacostia River	1,200,000	1,200,000		1,200,000
Storm and relief sewers in advance of interstate highway paving	450,000	450,000		450,000
Storm and relief sewers in advance of primary, secondary, and urban highway paving	350,000	350,000		350,000
Storm sewers, West Rock Creek	350,000	350,000		350,000
Sanitary sewers:				
Service sewer extensions	510,000	510,000		510,000
Upper Anacostia main interceptor pumping station replacement	220,000	220,000		220,000
Water pollution control plant additions	4,100,000	4,100,000		4,100,000
Sanitary sewers in advance of local paving and miscellaneous relief and replacement sewers	250,000	250,000		250,000
Rehabilitate boat pier and construct steam cleaning building, 1st and O Sts. SE	45,000	45,000		[45,000
Water mains:				
Service water main extensions, fire and public hydrants	675,000	675,000		675,000
Trunk and secondary water mains	400,000	400,000		400,000
Trunk water mains, special projects	1,450,000	1,450,000		1,450,000
Bryant St. warehouse	1,158,000	1,158,000		1,158,000
Total, Department of Sanitary Engineering	17,574,000	17,574,000	$48,000	17,622,000
Washington aqueduct: Shops and storehouses at Dalecarlia	100,000	100,000		100,000
Grand total, capital outlay, District of Columbia funds	128,163,500	79,658,000	45,165,500	115,552,500

[1] Authority requested and granted to use funds previously appropriated for project 22-62, a 2-story dormitory at the workhouse.

[2] Authority requested and granted to use $250,000 previously appropriated for minor capital outlay, right-of-way.

[3] 100 percent Federal aid participation.

RESOLUTION ON DEATH OF FORMER VICE PRESIDENT JOHN NANCE GARNER—ADJOURNMENT TO 11 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, on behalf of the majority leader [Mr. MANSFIELD] and the minority leader [Mr. DIRKSEN] I send to the desk a resolution, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to present consideration of the resolution?

There being no objection, the resolution (S. 183) was considered and unanimously agreed to as follows:

S. RES. 183

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. John Nance Garner, a former Vice President of the United States and President of the Senate.

Resolved, That as a mark of respect to the memory of this distinguished man, whose life was filled with service to the Nation, to his State, and to his fellow men, the Senate do now adjourn until 11 o'clock antemeridian, Wednesday.

Mr. BYRD of West Virginia. Mr. President, as a further mark of respect to the memory of our distinguished former Vice President of the United States and President of the Senate, the Honorable John Nance Garner, and at the request of the majority and minority leaders I move that the Senate do now adjourn, under the previous order, until 11 a.m. tomorrow.

The motion was unanimously agreed to; and (at 6 o'clock and 29 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, November 8, 1967, at 11 a.m.

CONFIRMATION

Executive nominations confirmed by the Senate November 7, 1967:

U.S. TARIFF COMMISSION

Stanley D. Metzger, of the District of Columbia, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1973, vice Paul Kaplowitz.

AMBASSADORS

Walter N. Tobriner, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica, vice Wilson T. M. Beale, Jr.

Robert G. Miner, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sierra Leone.

NATIONAL LABOR RELATIONS BOARD

John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1972 (reappointment).

U.S. ATTORNEYS

K. Edwin Applegate, of Indiana, to be U.S. attorney for the southern district of Indiana for the term of 4 years, vice Richard P. Stein, resigned.

Asher E. Schroeder, of Iowa, to be U.S. attorney for the northern district of Iowa for the term of 4 years, vice Donald E. O'Brien, resigned.

POSTMASTERS

ALABAMA

Rosa E. Whiddon, Newville.
Edna M. Callaway, Orange Beach.

ARKANSAS

Edward B. Gilbert, Bearden.
Merlin R. Walters, Hartman.
Bunyan W. Matthews, Jr., Magnolia.

CALIFORNIA

Haakon T. Magnussen, Alpine.
Victor E. Legaspi, Calexico.
Margaret R. Patterson, Gazelle.
Constance N. Schroer, Green Valley Lake.
Hugh A. Cassidy, San Rafael.
Richard K. Kintzel, Solvang.
Kenneth W. Stoneburner, Twin Peaks.

COLORADO

Marea T. Deter, Deer Trail.
Sheldon D. Brooks, Greeley.

CONNECTICUT

Edward T. Moore, Georgetown.

FLORIDA

Horace E. Treadwell, Oak Hill.
Merio Claudio, Opa Locka.
Wendell W. Hunt, Palmetto.
Catherine R. Collins, Plymouth.

GEORGIA

James H. Campbell, Cleveland.
John W. Callaway, Ringgold.
William O. Cummings, Warthen.

IDAHO

Louise K. Gosselink, Mc Call.

IOWA

Wesley T. Ward, Dallas Center.
Dale D. Stupp, Hazelton.
Rose M. Gelhaus, Ledyard.
Myron W. F. Ihde, Monona.

KANSAS

Shirley V. Keeler, Assaria.
Ward L. Harold, Beloit.
Jim L. Palmer, Haysville.
Gerald L. Carpenter, Neodesha.
Clyde R. Moore, Wellington.

KENTUCKY

Paul W. Baker, Greenup.
Rose K. Durbin, Nazareth.
William H. Marksberry, Philpot.
Creed Damron, Robinson Creek.
Harold G. Rice, Waco.

LOUISIANA

Maxine H. Morrison, Albany.
Doris L. Bradley, Sondheimer.
Estelle D. Gorman, Tullos.

MARYLAND

Rachel B. Racine, Childs.
J. Hopkins Kolb, Harwood.
George B. Hasson, Perryville.
William D. Beall, Stevenson.

MASSACHUSETTS

Robert L. Carrington, Granby.
John G. Duffy, West Springfield.

MINNESOTA

Francis C. Bohnert, Rosemount.
Benjamin C. Smith, Saint Francis.
Glenn O. Solomonson, Storden.

MISSISSIPPI

Johnnie J. Jones, McCool.

MISSOURI

Robert E. Booth, Cainsville.
Charles L. Lucas, Caledonia.
Kenneth W. Bolton, Chaffee.
Marion E. Bird, Concordia.
Ralph O. Hood, Cosby.
William E. Jenkins, Kahoka.
Robert L. Jackson, Macks Creek.
Fred W. Bargen, Mapaville.

MONTANA

James A. McAndrew, Bigfork.

NEBRASKA

Douglas R. Graul, Carleton.
Frank J. Dietsch, Fordyce.
Betty G. Hoelting, Lawrence.
Helen V. McChesney, Lebanon.
Bernadean R. Strufing, Martell.
Gary L. Boese, Pickrell.

NEW HAMPSHIRE

Laurent J. Ruell, Ashland.
Richard P. Piper, Jr., Holderness.

NEW JERSEY

Geraldine B. Nyce, Califon.
Richard E. Case, Pennington.
Ernest M. Muska, Perth Amboy.
Clifford G. Braack, Pompton Plains.

NEW YORK

Harris A. Kellogg, Altmar.
Edward B. Zunner, Appleton.
Ethel M. Reilly, Esopus.
John L. Martin, Friendship.
Virginia E. Hunt, Greenwood.
Hilliard R. Crane, Livonia.
Jarvis E. Ireland, Panama.
William J. Newham, Sr., Patchogue.
Melva J. Sherman, Shelter Island.

NORTH CAROLINA

Pauline L. Harton, Colon.
Paul E. Peeler, Granite Quarry.
Stanley W. Johnson, Hope Mills.
Robert F. Corbin, Sr., La Grange.
Ross L. Edwards, Jr., Roanoke Rapids.
John F. Wells, Teachey.

OHIO

John W. Schromen, Orrville.
Elmer R. Klinger, West Farmington.

OKLAHOMA

Russel J. Alberty, Haskell.
Kenneth P. Lewis, Quapaw.

OREGON

Gladys M. Mortimore, Mitchell.

PENNSYLVANIA

Dorald E. Clark, Breezewood.
Alvin C. Brady, East McKeesport.
Elizabeth A. Lis, Everson.
Andy F. Sabo, Jefferson.
Eleanor M. Lynch, Little Meadows.
Liberty R. Catherine, Morrisdale.
Robert N. Wagner, Sagamore.
Delbert L. Potts, Saint Petersburg.
Wilford C. Park, Saltillo.
Charles S. S. Reppert, Shoemakersville.
Charles S. Romanoski, Souderton.

RHODE ISLAND

Howard F. Tucker, Jr., Chepachet.
Peter McLaren, Greenville.

SOUTH CAROLINA

Ray M. Head, Salem.

SOUTH DAKOTA

Thomas W. MacKrell, Vale.

TENNESSEE

Robert T. Jacobs, Beechgrove.
Odell J. Trotter, Brighton.
Edna E. Courtner, Butler.
Kenneth W. Overstreet, Celina.
Joseph W. Satterfield, Dandridge.
Robert H. Scates, Henning.
Mary Nell S. Harris, Prospect.
Harry D. Montgomery, Trenton.

TEXAS

Audrey L. Ware, Austwell.
Kenneth R. Hopkins, Crowley.
Cornelious M. Hatch, Hamilton.
Buna M. Taylor, Harleton.
Charles E. Clifford, Jr., Hitchcock.
Wesley E. Coburn, Hunstville.
Mary R. Morris, Mobeetie.

VIRGIN ISLANDS

Rupert R. Abramson, Frederiksted.

VIRGINIA

Robert C. Smith, Jr., Bumpass.
Kendall F. Bailey, Madison Heights.
Joseph H. Clarke, Jr., Martinsville.
Russell R. S. Clem, Staunton.

WASHINGTON

Mary A. Johnson, Beaver.
David P. Watkins, Castle Rock.
Dorothy L. Bluhm, Edison.
Thomas J. O'Connell, Kent.
Mary E. Thomas, Soap Lake.

WEST VIRGINIA

Kenneth Vandevender, Dailey.
Martha W. Kramer, Durbin.
Russell L. Morrow, Smithers.

WISCONSIN

Louis S. Skarda, Coleman.
Richard L. Schwartz, Ixonia.

EXTENSIONS OF REMARKS

Marie Sklodowska Curie: Centennial of Her Birth

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 7, 1967

Mr. PUCINSKI. Mr. Speaker, today is the centennial of Marie Sklodowska Curie's birth.

A daughter of Poland, she was one of the great intellects of history. Her research and discoveries unlocked the door to many of the scientific wonders of our 20th century, wonders which expand and appear infinite each day.

Twice she was awarded the Nobel Prize for her outstanding work. Her scholarship and humanity were acknowledged throughout the world—she was a legend come to life.

Her dedication to science and to uncovering truth and sharing the enormity of her discoveries with her fellow human beings provided an example that has never been surpassed in our history on earth.

A warm and generous human being, a brilliant and original scientist, Marie Curie brought honor to her parents and to her native Poland.

It is a pleasure to join with my colleagues in commemorating the life of this spectacular woman today on this 100th anniversary of her birth.

The Soviet Union: 50 Years Since the Revolution

EXTENSION OF REMARKS

OF

HON. ED REINECKE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 7, 1967

Mr. REINECKE. Mr. Speaker, on November 7, 1917, in the capital city of Petrograd—now Leningrad—the military forces of the Bolsheviks took over the reins and apparatus of the Russian Government. Russia had been in the throes of collapse and revolution for the past year. Moderates had overthrown the czarist regime in March 1917, but had not been able to consolidate forces or to act in a positive way to alleviate the economic dislocation and suffering caused by the country's inability to cope with the prolonged First World War. When on November 7 the Second All-Russian Congress of Soviets convened with a clear Bolshevik majority, it set about immediately to organize a government which would ease the harsh conditions in the country.

Today, 50 years later, it is appropriate that we stop to look at the results of what some have called "the greatest political event of this century." No one can doubt that progress has been made—in education, science, social services, industrialization, urbanization, military power, missile and space technology. In total volume of economic production, Russia has moved up from fifth rank in the world in 1917 to second under that of the United States. However, since the Soviet regime has given first priority to building heavy industry, the general standard